by the Post Office Department from payments for damage to personal property, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. NYGAARD:

H.R. 7533. A bill to provide for the division of the State of North Dakota into two judicial districts; to the Committee on the Judiciary.

By Mr. OLSEN:

H.R. 7534. A bill to stabilize the mining of lead and zinc by small domestic producers on public, Indian, and other lands, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 7535. A bill to stabilize the mining of lead and zinc in the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 7536. A bill to authorize pilot training and employment programs for youths including on-the-job and other appropriate training, local public service programs, and conservation programs; to the Committee on Education and Labor.

By Mr. ROBISON:

H.R. 7537. A bill to provide for adjusting conditions of competition between certain domestic industries and foreign industries with respect to the level of wages and the working conditions in the production of articles imported into the United States; to the Committee on Ways and Means.

By Mr. SHORT:

H.R. 7538. A bill to provide for the establishment of a spring wheat quality research laboratory in the State of North Dakota; to the Committee on Agriculture.

By Mr. WEAVER:

H.R. 7539. A bill to provide for the issuance of a special series of postage stamps in commemoration of the 100th anniversary of the enactment of the Homestead Act; to the Committee on Post Office and Civil Service.

By Mr. ALFORD:

H.R. 7540. A bill relating to the transportation of mail by highway post office service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BLATNIK:

H.R. 7541. A bill to authorize pilot training and employment programs for youth including on-the-job and other appropriate training, local public service programs, and conservation programs; to the Committee on Education and Labor.

H.R. 7542. A bill to amend title II of the Social Security Act to permit retirement by all persons in the United States at the age of 60 years with benefits that will assure full participation by elderly persons generally in prevailing national standards of living, to provide like benefits for disabled persons, and to provide benefits for certain female heads of families and for certain children; to provide for the establishment and operation of this system of social security by an equitable gross income tax; and for other purposes; to the Committee on Ways and Means.

By Mr. GUBSER:

H.R. 7543. A bill to amend title II of the Social Security Act to permit retirement by all persons in the United States at the age of 60 years with benefits that will assure full participation by elderly persons generally in prevailing national standards of living, to provide like benefits for disabled persons, and to provide benefits for certain female heads of families and for certain children; to provide for the establishment and operation of this system of social security by an equitable gross income tax; and for other purposes; to the Committee on Ways and Means.

By Mr. HAGEN of California:

H.R. 7544. A bill to amend section 202(c) of the Interstate Commerce Act to provide for partial exemption from the provisions of part II of such act of terminal area motor carrier operations performed by or for common carriers by water in interstate commerce subject to the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933; to the Committee on Interstate and Foreign Commerce.

H.R. 7545. A bill declaring the Communist Party and similar revolutionary organizations illegal; making membership in, or participation in the revolutionary activity of, the Communist Party or any other organization furthering the revolutionary conspiracy by force and violence a criminal offense; and providing penalties; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 7546. A bill to amend section 109 of title 38, United States Code, to provide benefits for members of the armed forces of nations allied with the United States in World War I or World War II; to the Committee on Veterans' Affairs.

By Mr. MOORE:

H.R. 7547. A bill to increase from $600 to $1,000 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness); to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:

H.R. 7548. A bill to exempt from coverage under the old-age, survivors and disability insurance program self-employed individuals who hold certain religious beliefs; to the Committee on Ways and Means.

By Mr. WEAVER:

H.J. Res. 442. Joint resolution to provide for the observance of the centennial of the enactment of the Homestead Act; to the Committee on the Judiciary.

By Mr. BATTIN:

H. Con. Res. 326. Concurrent resolution expressing the sense of the Congress with respect to the proposed trade by Cuba of prisoners for tractors; to the Committee on Foreign Affairs.

By Mr. DAWSON:

H. Con. Res. 327. Concurrent resolution authorizing the printing of additional copies of House Document No. 198 of the 84th Congress, entitled "The Commission on Intergovernmental Relations"; to the Committee on House Administration.

By Mr. WILSON of California:

H. Con. Res. 328. Concurrent resolution requesting the President to call a national conference on commercial fishing; to the Committee on Merchant Marine and Fisheries.

By Mr. MONAGAN:

H. Res. 328. Resolution disapproving Reorganization Plan No. 5 transmitted to Congress by the President on May 24, 1961; to the Committee on Government Operations.

By Mr. O'BRIEN of Illinois:

H. Res. 329. Resolution to pay the Clerk of the House for expenses incurred in preparing contested-election cases; to the Committee on House Administration.

By Mr. STEED:

H. Res. 331. Resolution relating to the basic compensation of the stationery clerk and the assistant stationery clerk; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MILLER of New York:

H.R. 7549. A bill for the relief of the Lewis Invisible Machine Stitch Co., Inc., now known as Lewis Sewing Machine Co.; to the Committee on the Judiciary.

By Mr. MOSS:

H.R. 7550. A bill to validate the conveyance of certain land in the State of California by the Central Pacific Railway to Edna Rhodes; to the Committee on Interior and Insular Affairs.

By Mr. RAY:

H.R. 7551. A bill to authorize Maj. Vincent Philip Paolucci, U.S. Army, to accept the title of Knight of the Order of the Italian Republic, bestowed upon him by the Government of Italy; to the Committee on Armed Services.

H.R. 7552. A bill for the relief of Tadeusz Romuald Czyz; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H.R. 7553. A bill for the relief of Chang Sheng (also known as Rafael Chang Sing); to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.R. 7554. A bill for the relief of Mee Jin Lew (also known as Lew Pui King); to the Committee on the Judiciary.

By Mr. SAUND:

H.R. 7555. A bill for the relief of Esther Khoe; to the Committee on the Judiciary.

By Mr. JARMAN:

H.R. 7556. A bill for the relief of Dr. J. A. Lewis; to the Committee on the Judiciary.

By Mr. MERROW:

H.R. 7557. A bill for the relief of Demetrios Batistas; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

172. By Mr. MULTER: Petition of the Committee of One Million Against the Admission of Communist China to the United Nations; to the Committee on Foreign Affairs.

173. By the SPEAKER: Petition of Francisco Ghigliotty, Guayanilla, P.R., relative to an investigation of unjust treatment of government of Puerto Rico; to the Committee on Interior and Insular Affairs.

174. Also, petition of Chyung Sang Bak, Pusan, Korea, relative to a redress of grievance relating to a claim; to the Committee on the Judiciary.

175. Also, petition of Thalia S. Woods, Spencer County Democratic Women's Club, Gentryville, Ind., relative to a resolution adopted by the Spencer County (Ind.) Democratic Women's Club supporting the achievements of the President and the Congress; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JUNE 7, 1961

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Father of all mankind, with minds burdened for the Nation and for the world, we turn to Thee in this baffling hour, praying that in this fear-haunted earth the flame of our faith may not grow dim. Unworthy though we are, Thou hast made us keepers for our day of the holy torch of freedom the Founding Fathers kindled with their lives.

We would share that sacred fire until tyranny everywhere is consumed and thus all the nations of the earth be blessed.

Steel our wills and steady our hands with power and wisdom, that with eager

joy we may dedicate the Nation's strength to throw open the gates of a new life for Thy children everywhere.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request by Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 6, 1961, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, notified the Senate that, pursuant to the provisions of section 1, Public Law 86–42, the Speaker had appointed Mr. HOWARD W. ROBISON, of New York, as a member of the U.S. delegation of the Canada-United States Interparliamentary Group, on the part of the House.

The message announced that the House insisted upon its amendment to the bill (S. 1852) to authorize appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. KILDAY, Mr. RIVERS of South Carolina, Mr. PHILBIN, Mr. HÉBERT, Mr. ARENDS, Mr. GAVIN, Mr. VAN ZANDT, and Mr. BATES were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the bill (S. 277) for the relief of Erica Barth, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 1353. An act for the relief of Max Bleier;

H.R. 1399. An act for the relief of Mrs. Josefa Pidlaoan and daughter, Annabelle Pidlaoan;

H.R. 1477. An act for the relief of Mansurch Rinehart;

H.R. 1620. An act for the relief of Kejen Pi Corsa;

H.R. 1626. An act for the relief of Jack Konko;

H.R. 1687. An act for the relief of World Games, Inc.;

H.R. 1891. An act for the relief of En1c. William J. Stevens;

H.R. 1911. An act for the relief of Ricaredo Bernabe Dela Cena;

H.R. 1915. An act for the relief of Mrs. Sode Hatta;

H.R. 2360. An act for the relief of Mrs. Tome Takamoto;

H.R. 2686. An act for the relief of Louis J. Rosenstein;

H.R. 2973. An act for the relief of Anthony Robert Lowry (Antonio Piantadosi);

H.R. 3101. An act for the relief of David Riley, lieutenant colonel, U.S. Marine Corps;

H.R. 4557. An act for the relief of Manuel Martinez-Lopez;

H.R. 4565. An act for the relief of Nora M. Hammond;

H.R. 4639. An act for the relief of Rear Adm. Carl H. Cotter;

H.R. 4872. An act for the relief of Mr. and Mrs. James H. McMurray;

H.R. 6224. An act for the relief of Miss Elsie Robey;

H.R. 6452. An act for the relief of Nissim S. Tawil, Esther Tawil (nee Goldman), Solomn Tawil, Isaac Tawil, Kathy Tawil, Macqueline Tawil, and Sarina Goldman;

H.R. 6453. An act for the relief of Earl Gupton;

H.R. 6767. An act for the relief of Charles H. Stype;

H.R. 7444. An act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1962, and for other purposes; and

H.J. Res. 437. Joint resolution relating to the time for filing a report on renegotiation by the Joint Committee on Internal Revenue Taxation.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 133. An act giving the consent of Congress to a compact between the State of Arizona and the State of Nevada establishing a boundary between those States;

S. 1941. An act to authorize construction of community support facilities at Los Alamos County, N. Mex.; and

S.J. Res. 34. Joint resolution designating the week of October 9–15, 1961, as National American Guild of Variety Artists Week.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H.R. 1353. An act for the relief of Max Bleier;

H.R. 1399. An act for the relief of Mrs. Josefa Pidlaoan and daughter, Annabelle Pidlaoan;

H.R. 1477. An act for the relief of Mansurch Rinehart;

H.R. 1620. An act for the relief of Kejen Pi Corsa;

H.R. 1626. An act for the relief of Jack Konko;

H.R. 1687. An act for the relief of World Games, Inc.;

H.R. 1891. An act for the relief of En1c. William J. Stevens;

H.R. 1911. An act for the relief of Ricaredo Bernabe Dela Cena;

H.R. 1915. An act for the relief of Mrs. Sode Hatta;

H.R. 2360. An act for the relief of Mrs. Tome Takamoto;

H.R. 2686. An act for the relief of Louis J. Rosenstein;

H.R. 2973. An act for the relief of Anthony Robert Lowry (Antonio Piantadosi);

H.R. 3101. An act for the relief of David Riley, lieutenant colonel, U.S. Marine Corps;

H.R. 4557. An act for the relief of Manuel Martinez-Lopez;

H.R. 4565. An act for the relief of Nora M. Hammond;

H.R. 4639. An act for the relief of Rear Adm. Carl H. Cotter;

H.R. 4872. An act for the relief of Mr. and Mrs. James H. McMurray;

H.R. 6224. An act for the relief of Miss Elsie Robey;

H.R. 6452. An act for the relief of Nissim S. Tawil, Esther Tawil (nee Goldman), Solomn Tawil, Isaac Tawil, Kathy Tawil, Macqueline Tawil, and Sarina Goldman;

H.R. 6453. An act for the relief of Earl Gupton; and

H.R. 6767. An act for the relief of Charles H. Stype; to the Committee on the Judiciary.

H.R. 7444. An act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1962, and for other purposes; to the Committee on Appropriations.

H.J. Res. 437. Joint resolution relating to the time for filing a report on renegotiation by the Joint Committee on Internal Revenue Taxation; to the Committee on Finance.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider, under the new reports, the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Commerce:

Clarence F. Pautzke, of Washington, to be Commissioner of Fish and Wildlife, Department of the Interior; and

William E. Blankinship, Jr., and sundry other persons, for appointment in the Coast and Geodetic Survey.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the Executive Calendar, under the new reports, will be stated.

U.S. ATTORNEYS

The Chief Clerk proceeded to read sundry nominations of U.S. attorneys.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. MARSHALS

The Chief Clerk proceeded to read sundry nominations of U.S. marshals.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

That completes the new reports on the calendar.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

YOUTH EMPLOYMENT OPPORTUNITIES ACT OF 1961

A communication from the President of the United States, transmitting a draft of proposed legislation to authorize pilot training and employment programs for youth including on-the-job and other appropriate training, local public service programs, and conservation programs (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT ON REVIEW OF ACCOUNTING SYSTEM AND RELATED MATTERS, OFFICE OF THE ADMINISTRATOR, HOUSING AND HOME FINANCE AGENCY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of accounting system and related matters, Office of the Administrator, Housing and Home Finance Agency, dated June 1961 (with an accompanying report); to the Committee on Government Operations.

CREATION OF TRIAL BOARDS FOR U.S. PARK POLICE

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to create Trial Boards for the U.S. Park Police, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

CONVEYANCE OF CERTAIN LANDS AND PERSONAL PROPERTY TO STATE OF WASHINGTON

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to direct the Secretary of the Interior to convey certain lands and personal property to the State of Washington (with an accompanying paper); to the Committee on Interior and Insular Affairs.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

CONCURRENT RESOLUTION OF OKLAHOMA LEGISLATURE

Mr. KERR. Mr. President, I present, for appropriate reference, a concurrent resolution of the Legislature of the State of Oklahoma, favoring the retention of the 27½-percent depletion provision on oil and gas production in income tax laws. I ask unanimous consent that the concurrent resolution be printed in the RECORD.

There being no objection, the concurrent resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

"HOUSE CONCURRENT RESOLUTION 554

"Resolution memorializing the Congress of the United States to retain the 27½-percent depletion provision on oil and gas production in income tax laws; directing distribution of copies

"Whereas the Congress of the United States, in its wisdom, did enact percentage depletion legislation on oil and gas production some 35 years ago in order to enable the great oil industry of this Nation to find more oil; and

"Whereas Congress took this action of providing percentage depletion, which today touches over 100 extractive industries, in order to assure said industries of a means by which depleted capital could be regained; and

"Whereas percentage depletion has provided the incentive which has enabled the oil industry to maintain the oil production necessary to support our national economy and meet our military needs; and

"Whereas experts agree that the national demand for petroleum production in years to come will continue to grow as demand outstrips reserve with an estimated need in an amount in excess of 14 million barrels per day being consumed in the United States by the year 1967; and

"Whereas the forecast need for the year 1967 challenges the oil industry to find 100,000 barrels of oil every 15 minutes, and, in order to keep abreast with demands, the industry must double the present rate of oil discovery by this same future date; and

"Whereas percentage depletion applies only to the field value of the crude oil and raw gas, and only to the extent it can be produced at a profit; and

"Whereas over a long period of time without percentage depletion and the incentive it provides to find new sources of crude, a steadily shrinking oil industry, laboring under an inequitable tax burden, would pay fewer dollars per year in Federal taxes, and State and local revenues would be adversely affected immediately; and

"Whereas a cut in percentage depletion would surely diminish petroleum resources, unless the price of every product made from petroleum, as well as the cost of services provided through petroleum, were to be increased substantially to compensate for the cut; and

"Whereas percentage depletion has accomplished exactly what the Congress of the United States intended it to do—it has enabled the oil industry to find oil: Now, therefore, be it

"Resolved by the House of Representatives of the 28th Oklahoma Legislature (the Senate concurring therein):

"SECTION 1. That the 87th Congress of the United States be and is hereby memorialized to retain the percentage depletion allowance at 27½ percent, that percentage which it has wisely and steadfastly maintained for a period of 35 years, in order to assure this Nation of an adequate supply of oil reserves.

"SEC. 2. That duly authenticated copies of this resolution be forwarded to the President of the United States, the Honorable John F. Kennedy; to the Speaker of the House of Representatives, the Honorable SAM RAYBURN; to the majority leader of the U.S. Senate, the Honorable MIKE MANSFIELD; to the minority leader of the U.S. Senate, the Honorable EVERETT DIRKSEN; to the minority leader of the U.S. House of Representatives, the Honorable CHARLES HALLECK; to the chairman of the House Ways and Means Committee, Congressman WILBUR MILLS; to the minority chairman of the House Ways and Means Committee, Congressman NOAH MASON; and to every member of the Oklahoma congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

S. 606. A bill to provide for the construction of a shellfisheries research center at Milford, Conn. (Rept. No. 354);

S. 1931. A bill to extend the provisions of title XIII of the Federal Aviation Act of 1958, relating to war risk insurance (Rept. No. 351); and

H.R. 2457. An act to amend title V of the Merchant Marine Act, 1936, in order to clarify the construction subsidy provisions with respect to reconstruction, reconditioning, and conversion, and for other purposes (Rept. No. 352).

By Mr. KERR, from the Committee on Public Works, with amendments:

S. 120. A bill to amend the Federal Water Pollution Control Act to provide for a more effective program of water pollution control (Rept. No. 353).

ADDITIONAL FUNDS FOR COMMITTEE ON COMMERCE

Mr. MAGNUSON, from the Committee on Commerce, reported an original resolution (S. Res. 156) to provide additional funds for the Committee on Commerce, which, under the rule, was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Commerce is authorized to expend from the contingent fund of the Senate, during the Eighty-seventh Congress, for the purposes specified in section 134(a) of the Legislative Reorganization Act of 1946, $10,000 in addition to the amount authorized in such section.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. METCALF (for himself and Mr. MANSFIELD):

S. 2026. A bill to provide assistance for certain landless Indians in the State of Montana; to the Committee on Interior and Insular Affairs.

By Mr. CURTIS (for himself, Mr. HRUSKA, Mr. BENNETT, Mr. BIBLE, Mr. BRIDGES, Mr. BURDICK, Mr. BYRD of Virginia, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. COOPER, Mr. DWORSHAK, Mr. FONG, Mr. HICKENLOOPER, Mr. HICKEY, Mr. HOLLAND, Mr. KEFAUVER, Mr. MANSFIELD, Mr. METCALF, Mr. MILLER, Mr. MOSS, Mr. MUNDT, Mrs. NEUBERGER, Mr. SCHOEPPEL, Mr. SYMINGTON, Mr. WILEY, Mr. YOUNG of North Dakota, Mr. MCGEE, Mr. GRUENING, and Mr. DIRKSEN):

S. 2027. A bill to provide for the issuance of a special series of postage stamps in commemoration of the 100th anniversary of the enactment of the Homestead Act; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. CURTIS when he introduced the above bill, which appear under a separate heading.)

By Mr. LAUSCHE (for himself and Mr. MCCLELLAN):

S. 2028. A bill to amend section 303 of the Defense Production Act of 1950, as amended, by providing for access to contractors' records by the Comptroller General; to the Committee on Banking and Currency.

By Mr. LAUSCHE:

S. 2029. A bill to revise the laws relating to depository libraries; to the Committee on Rules and Administration.

(See the remarks of Mr. LAUSCHE when he introduced the above bills, which appear under separate headings.)

By Mrs. NEUBERGER:

S. 2030. A bill to provide that the Secretary of Commerce shall conduct a study to determine the desirability and practicability of the adoption by the United States of the metric system of weights and measures; to the Committee on Commerce.

(See the remarks of Mrs. NEUBERGER when she introduced the above bill, which appear under a separate heading.)

By Mr. CLARK:

S. 2031. A bill to exempt from coverage under the old-age, survivors, and disability insurance program self-employed individuals who hold certain religious beliefs; to the Committee on Finance.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

S. 2032. A bill consenting to the amendment of the compact between the States of Pennsylvania and Ohio relating to Pymatuning Lake; to the Committee on the Judiciary.

By Mr. RUSSELL (for himself and Mr. TALMADGE):

S. 2033. A bill to amend section 90 of title 28, United States Code, so as to provide for a new division within the Northern Judicial District of the State of Georgia, and for other purposes; to the Committee on the Judiciary.

By Mr. PASTORE:

S. 2034. A bill to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions; and

S. 2035. A bill to provide that section 315 of the Communications Act of 1934 shall not apply to candidates for the offices of President and Vice President of the United States, U.S. Senator and Representative, and Governor of any State; to the Committee on Commerce.

(See the remarks of Mr. PASTORE when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 2036. A bill to authorize pilot training and employment programs for youth including on-the-job and other appropriate training, local public service programs, and conservation programs; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 2037. A bill to amend the Interstate Commerce Act and certain supplementary and related acts with respect to the requirement of an oath for certain reports, applications, and complaints filed with the Interstate Commerce Commission; and

S. 2038. A bill to create the National Capital Airports Corporation, to provide for operation of the federally owned civil airports in the District of Columbia or its vicinity by the Corporation, and for other purposes; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bills, which appear under separate headings.)

By Mr. MAGNUSON:

S. 2039. A bill to direct the Secretary of Commerce to undertake studies of the economic effects of deactivating certain permanent military installations situated in areas of substantial unemployment; to the Committee on Commerce.

By Mr. KUCHEL:

S. 2040. A bill for the relief of Zenzaburo Yasuda; to the Committee on the Judiciary.

By Mr. SYMINGTON:

S. 2041. A bill for the relief of Triantafilia Swteriou Zouglas; to the Committee on the Judiciary.

By Mr. CURTIS (for himself, Mr. HRUSKA, Mr. BENNETT, Mr. BIBLE, Mr. BOGGS, Mr. BRIDGES, Mr. BURDICK, Mr. BYRD of Virginia, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. COOPER, Mr. DWORSHAK, Mr. FONG, Mr. HICKENLOOPER, Mr. HICKEY, Mr. HOLLAND, Mr. KEFAUVER, Mr. MANSFIELD, Mr. METCALF, Mr. MILLER, Mr. MOSS, Mr. MUNDT, Mrs. NEUBERGER, Mr. SCHOEPPEL, Mr. SYMINGTON, Mr. WILEY, Mr. YOUNG of North Dakota, Mr. MCGEE, Mr. JOHNSTON, Mr. GRUENING, and Mr. DIRKSEN):

S.J. Res. 98. Joint resolution to provide for the observance of the centennial of the enactment of the Homestead Act; to the Committee on the Judiciary.

(See the remarks of Mr. CURTIS, when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S.J. Res. 99. Joint resolution to commemorate the 75th anniversary of the Interstate Commerce Commission; to the Committee on the Judiciary.

(See the remarks of Mr. MAGNUSON when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

ADDITIONAL FUNDS FOR COMMITTEE ON COMMERCE

Mr. MAGNUSON, from the Committee on Commerce, reported an original resolution (S. Res. 156) to provide additional funds for the Committee on Commerce, which, under the rule, was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. MAGNUSON, which appears under the heading "Reports of Committees.")

COMMEMORATION OF 100TH ANNIVERSARY OF ENACTMENT OF THE HOMESTEAD ACT

Mr. CURTIS. Mr. President, in 1962, we shall observe the 100th anniversary of the enactment of the Homestead Act. A great many historians of considerable prominence and authority have declared that the Homestead Act was the finest act ever passed by a legislative body in order to place public lands in the hands of its citizens.

The Homestead Act has given us a nation of property owners. It was the Homestead Act that built the West. Following the war, the men who wore the blue and those who wore the gray participated in homesteading, and all of them contributed a great part to the building of the West.

Mr. President, I introduce, for appropriate reference, two measures. One is a joint resolution, introduced by me on behalf of myself, my colleague, the senior Senator from Nebraska [Mr. HRUSKA], and Senators BENNETT, BIBLE, BOGGS, BRIDGES, BURDICK, BYRD of Virginia, CAPEHART, CARLSON, CARROLL, COOPER, DWORSHAK, FONG, HICKENLOOPER, HICKEY, HOLLAND, KEFAUVER, MANSFIELD, METCALF, MILLER, MOSS, MUNDT, NEUBERGER, SCHOEPPEL, SYMINGTON, WILEY, YOUNG of North Dakota, MCGEE, JOHNSTON, GRUENING, and DIRKSEN.

This joint resolution calls upon the President to issue a proclamation designating the calendar year 1962 as the centennial of the enactment of the Homestead Act, and calls upon the Governors of the States, mayors of cities, and other public officials, as well as other persons, organizations, and groups, particularly in the States most directly affected by the Homestead Act, to observe such centennial by appropriate ceremonies, and to provide, in such manner as he deems appropriate, for participation by Federal agencies and officials in such observance.

Mr. President, I also introduce, on behalf of myself, my colleague, the senior Senator from Nebraska [Mr. HRUSKA], and Senators BENNETT, BIBLE, BRIDGES, BURDICK, BYRD of Virginia, CAPEHART, CARLSON, CARROLL, COOPER, DWORSHAK, FONG, HICKENLOOPER, HICKEY, HOLLAND, KEFAUVER, MANSFIELD, METCALF, MILLER, MOSS, MUNDT, NEUBERGER, SCHOEPPEL, SYMINGTON, WILEY, YOUNG of North Dakota, MCGEE, GRUENING, and DIRKSEN, whose names appear on the measure, a bill directing the Postmaster General to issue a centennial stamp commemorating the 100th anniversary of the Homestead Act.

Mr. President, few measures passed by Congress have had the far-reaching effect of this act, which was passed after many years of debate. It is the cornerstone upon which a great portion of the economy of our country was built. It gave us a class of citizens who were sturdy, industrious, and imbued with self-denial, self-discipline, character, and all the other attributes that have caused us to laud and applaud the pioneers who built our country.

Mr. President, I send the two measures to the desk and ask that they be ultimately referred, but I further ask unanimous consent that they may remain on the desk for a period of 1 week, so that other Senators may join either or both of these measures as cosponsors.

The PRESIDING OFFICER (Mr. METCALF in the chair). The bill and joint resolution will be received and appropriately referred and, without objection, will remain at the desk as requested.

The bill and joint resolution, introduced by Mr. CURTIS (for himself and other Senators), were received, read twice by their titles, and referred, as indicated:

S. 2027. A bill to provide for the issuance of a special series of postage stamps in commemoration of the one-hundredth anniversary of the enactment of the Homestead Act; to the Committee on Post Office and Civil Service.

S.J. Res. 98. Joint resolution to provide for the observance of the centennial of the enactment of the Homestead Act; to the Committee on the Judiciary.

Mr. GRUENING. Mr. President, as a cosponsor of the joint resolution introduced to commemorate passage of the homestead laws, I commend my colleague, the Senator from Nebraska [Mr. CURTIS] on his recognition of the importance to the development of our Nation of the homestead laws. It is entirely fitting that this great American idea for enabling citizens to own their own land receive the attention which will be given it as a result of this proposed legislation.

The homestead laws were not extended to the Territory of Alaska until 1898—36 years after the enactment of the original law, and 31 years after Alaska became a possession of the United States.

Although Alaska did not receive the benefits of this law until much later than the States—a not unusual circumstance for our people with respect to Federal legislation—Alaska homesteaders may well be named among the most valiant of homesteaders anywhere.

I believe Alaska is the only State in the Union where the Homestead Act is still employed to any appreciable extent for the purpose of acquiring land. Considerable numbers of pioneers on the last frontier have obtained a patent to the land of Alaska since the Second World War, and many others are now in the process of doing so. Thus, I think the Homestead Act has greater significance to present-day Alaskans than to citizens of any other State.

I pay tribute to the remarkable energy, perseverance, and vision of those who have homesteaded and are now homesteading in my State. They have the courage, the determination, the stick-to-it-iveness and the vision that made America.

There is nothing easy in acquiring a homestead in Alaska. It is about the hardest, toughest, most demanding work anyone can imagine. Clearing virgin wilderness with scarce and inadequate machinery and under the ruggedest climatic conditions imaginable takes character and strength of which Americans are proud to boast, and which our Alaskan homesteaders have exhibited and are continuing to exhibit.

But the hardest obstacle which has always been faced by the gallant citizens of the 49th State has been that of struggling with the Federal bureaucracy which, in the case of Alaska homesteaders, has gone out of its way to make things difficult. There is no partisan indictment here. The history of lamentable maladministration of the homestead laws in my State has been a fact of life under both Republican and Democratic regimes. The very nature of the homestead procedures seems to bring out bureaucratic genius for smothering ambition with excessive redtape and needless legalism.

Today, we in Alaska look forward with hope to a new and more effective administration of the homestead laws on the last frontier by the young and vital administrators of the New Frontier. There is considerable evidence that the laws need revision to make a homestead program in Alaska better suited to the world of 1961. Meanwhile, I am hopeful that the Department of the Interior will make every effort to administer the laws of 1862, and of the 1898 law for Alaska in a newly streamlined fashion to meet the needs of 1962, and in the spirit of the New Frontier.

AMENDMENT OF DEFENSE PRODUCTION ACT OF 1950

Mr. LAUSCHE. Mr. President, on behalf of myself and the Senator from Arkansas [Mr. MCCLELLAN] I introduce, for appropriate reference, a bill amending the Defense Production Act of 1950. This amendment provides that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment, have access to and the right to examine any directly pertinent books, documents, papers, and records of any contractor or any of his subcontractors engaged in the performance of contracts negotiated under section 303 of the Defense Production Act, as amended—50 U.S.C. opp. 2098—and a provision to that effect shall be included in each such contract and related subcontracts.

Mr. President, I believe that the adoption of this amendment is essential to good, efficient, and economical government management of contracts under the Defense Production Act.

Recent disclosures in a report prepared by the General Accounting Office revealed that Government auditors were unable to examine the records of a firm engaged in Government defense work as to costs and profits since the contract did not call for such examinations, and the firm refused the Government auditors permission to examine the cost and profit sheets.

A review of the Defense Production Act of 1950 shows the act does not specifically require that contracts negotiated without advertising under the provisions of this act contain a clause giving the Comptroller General access to any pertinent records of the contractor. Some contracts negotiated under the act do contain provisions for adequate examination of records since the contractor permitted this type of clause to be included. In the case cited by the Comptroller General the firm refused to permit the inclusion of such provisions for examination of records.

It is my belief that such provisions which will permit Government auditors to examine the records of defense contractors should be mandatory in all such contracts. The Comptroller General's office also believes such a provision is essential for good, sound business management.

It is my sincere hope that the Senate will give consideration to the proposed bill and judge it on its own merits as desirable and essential.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2028) to amend section 303 of the Defense Production Act of 1950, as amended, by providing for access to contractors' records by the Comptroller General, introduced by Mr. LAUSCHE (for himself and Mr. MCCLELLAN), was received, read twice by its title, and referred to the Committee on Banking and Currency.

PROPOSED REVISION OF LAWS RELATING TO DEPOSITORY LIBRARIES

Mr. LAUSCHE. Mr. President, I introduce, for appropriate reference, a bill to revise the laws relating to depository libraries. A letter from President George A. Bowman, Kent State University, Kent, Ohio, recently disclosed the difficulties involved by a State university such as Kent in securing a designation as a Federal documents depository.

Dr. Bowman pointed out that although the university has embarked on an ambitious program of advanced studies, their resources were limited in this field of Federal documents. The college of education and the department of history at Kent have been particularly interested in the university securing Federal designation as a depository in order that students pursuing doctoral programs would have access to the immense field of information available in Federal publications.

This bill is designed to revise the laws relating to depository libraries. Twice the House of Representatives has passed similar proposed legislation, but it has not received Senate consideration. The bill would permit certification of not more than two additional designated depositories after the need for such has been properly certified by the head of every existing depository library within the congressional district, territory, or Commonwealth, by the head of the library authority of the State, territory, or Commonwealth.

Under the sponsorship of Representative WAYNE HAYS, this proposed legislation has had repeated success in the House. It is my sincere hope that in view of the demonstrated need for additional Federal depositories the Senate will respond to the urgings of our State educational leaders.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2029) to revise the laws relating to depository libraries, introduced by Mr. LAUSCHE, was received, read twice by its title, and referred to the Committee on Rules and Administration.

METRIC SYSTEM STUDY

Mrs. NEUBERGER. Mr. President, I introduce, for appropriate reference, a bill that would start us on the road to completing some unfinished congressional business. It would provide that the Secretary of Commerce conduct a study to determine the desirability and practicability of the adoption by the United States of the metric system of weights and measures.

An analogous measure, Mr. President, has been considered and passed by the Congress at an earlier date. That measure made it permissive to use the metric system of weights and measures in the United States. In discussing that measure on the floor of the Senate, a former Senator from Massachusetts said:

> There is something captivating in the idea of one system of weights and measures, which shall be common to all the civilized world; so that, at least in this particular, the confusion of Babel may be overcome. Kindred to this idea of one system of money. And both of these ideas are, perhaps, the forerunners of that grander idea of one language for all the civilized world. Philosophy does not despair of the fulfillment of this aspiration at some distant day; but a common system of weights and measures and a common system of money are already within the sphere of actual legislation.

The Senator making this statement was Charles Sumner. The date on which he made it was July 27, 1866.

I am pleased to know, that, in introducing this bill to the Senate, I have some substantial backing from a number of distinguished citizens. For example, a former President, in discussing the question of weights and measures, expressed a desire for a standard at once invariable and universal. The message was one delivered at the opening of the Second Congress. Its author was George Washington.

A former distinguished Secretary of State made a detailed and elaborate report in which he suggested that we reduce "every branch to the same decimal ration already established in coins, and thus bring the calculation of the principal affairs of life within the arithmetic of every man who can multiply and divide plain numbers." The author of that report was Secretary of State, later President, Thomas Jefferson.

In 1816, President Madison, in his annual message to Congress, said:

> The great utility of a standard fixed in its nature and founded on the easy rule of decimal proportions is sufficiently obvious.

Because of this recommendation, a committee of the Senate, under the leadership of John Quincy Adams, studied in great detail the subject of weights and measures. In his report on this study, filed with the Senate in 1821, Senator Adams, later President, said of the metric system:

> This system approaches to the ideal perfection of uniformity applied to weights and measures.

Mr. President, it is not often that one can introduce a measure with so distinguished an array of sponsors.

The act that passed the Senate and the House in 1866 was signed into law on July 28, 1866. That law made it permissible to use the metric system in the United States. The measure that I introduce today, in essence the envisioned but unfinished business of earlier years, would instruct the Secretary of Commerce to direct a study to determine the desirability and practicability of the metric system.

This study, as outlined in the bill, is to be a broadly based consideration of the adoption of the metric system from the point of view of scientists, engineers, businessmen, consumers, and the military. It provides for a full report after 3 years, and interim reports each year until that time.

Mr. President, I ask unanimous consent that the text of the bill I have proposed appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2030) to provide that the Secretary of Commerce shall conduct a study to determine the desirability and practicability of the adoption by the United States of the metric system of weights and measures, introduced by the Senator from Oregon [Mrs. NEUBERGER] was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a study to determine the desirability and practicability of the adoption in the United States of the metric system of weights and measures shall be conducted under the direction of the Secretary of Commerce.

SEC. 2. In carrying out the program described in the first section of this Act, the Secretary of Commerce shall conduct investigations, research, and surveys, consult with governmental agencies and private organizations, and cooperate with foreign governments to the extent deemed necessary to determine and analyze—

(1) standards and comparative advantages of weights and measures presently used in science, engineering, manufacturing, commerce and education;

(2) benefits which American consumers might derive from general adoption of the metric system or applications of such system in specific fields, including consideration of the effect on the packaging, merchandising and distribution of products and commodities in the United States;

(3) benefits which the United States might derive from general adoption of the metric system or application of such a system in specific fields, including consideration of the effect such a change would have on United States international relations, world trade, and military activities;

(4) practical problems which would have to be overcome in adopting the metric system for use generally or in specific fields in the United States, including an estimate of the cost of adopting the metric system.

SEC. 3. The Secretary of Commerce shall transmit to the Congress, within three years after the date of the enactment of this Act, a full and complete report of the findings made in the conduct of the program described in the first two sections of this Act, together with such recommendations as he considers to be appropriate and in the best interests of the economic development and national security of the United States, and annual progress reports shall be supplied to the Congress prior to submission of the final report and recommendations.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out this Act.

PROTECTION OF RIGHT OF RELIGIOUS DISSENT

Mr. CLARK. Mr. President, I introduce, for appropriate reference, a bill to permit voluntary withdrawal from the obligation to pay social security taxes and from receipt of social security benefits to those self-employed persons whose religious views forbid participation in systems of social insurance.

A great many Pennsylvanians and other Americans were shocked this past April when three horses belonging to Valentine Y. Byler, of New Wilmington, Pa., were seized and sold by the Internal Revenue Service to meet Mr. Byler's unpaid social security self-employment tax. Mr. Byler, a farmer, is an adherent of the Amish faith, which teaches its members to avoid insurance in any form. He therefore declined to pay his social security tax in the years 1956–59, although he quite properly reported the tax on his returns for those years. The Commissioner of Internal Revenue subsequently indicated his agency had no choice but to enforce collection of Mr. Byler's tax, which amounted with interest to $308.96. Present law, the Commissioner explained, does not permit to laymen any exception from the social security tax obligation because of religious conviction.

Permitting exception from the operation of general laws where religious principles conflict, and the exception does not operate to the detriment of the general welfare, is well established in American legislative custom. For example, selective service legislation has for many years permitted registrants who are adherents of the "peace churches" or who give satisfactory evidence of religious objection to military service to be designated conscientious objectors. Indeed, when social security was extended to include most professional groups, members of the clergy were permitted to participate on a voluntary basis. This variation from the usual procedure of compulsory coverage was specifically designed to permit ministers objecting to social insurance on religious grounds to stay out of the social security system. I do not believe the Congress intended to extend to ministers religious privileges not also open to laymen. In fact, I am inclined to suspect the right to the type of religious dissent which Mr. Byler attempted to express may be implicitly guaranteed in the first amendment to the U.S. Constitution. Unfortunately, this question will remain moot, since another characteristic tenet of Amish social ethics is a mandate against entering into litigation.

The design of my bill is simple. It would permit any adherent of a recognized church or religious sect, the teachings of which forbid its members from accepting social insurance benefits of the type provided by social security, to file with the appropriate government official an exemption certificate. Following the filing of the certificate, the individual would be relieved of payment of social security self-employment taxes and would cease to be eligible for those benefits he otherwise would have been accruing.

The number of persons affected by the bill is small, probably not more than 3,000 persons all told, according to Internal Revenue Service figures. Mostly they are quiet farmers. Experience has shown that their refusal to buy insur-

ance does not result in their becoming public charges. Their religion requires them to take care of their own, and they do. The Amish, because of their small number and because of the non-worldly character of their lives, are a people virtually without political influence. Whether or not they continue to be subjected to an inequitable tax thus depends solely on whether the Congress believes in legislating with compassion. I for one am convinced it does.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2031) to exempt from coverage under the old-age, survivors, and disability insurance program self-employed individuals who hold certain religious beliefs, introduced by Mr. CLARK, was received, read twice by its title, and referred to the Committee on Finance.

AUTHORIZATION FOR FEDERAL COMMUNICATIONS COMMISSION TO DELEGATE FUNCTIONS IN ADJUDICATORY CASES

Mr. PASTORE. Mr. President, I introduce, for appropriate reference, a bill to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions. I ask unanimous consent that the bill, together with a section-by-section analysis, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and section-by-section analysis will be printed in the RECORD.

The bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions, introduced by Mr. PASTORE, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 5 of the Communications Act of 1934, as amended, is hereby repealed.

SEC. 2. Subsection (d) of section 5 of the Communications Act of 1934, as amended, is amended to read as follows:

"(c)(1) When necessary to the proper functioning of the Commission and the prompt and orderly conduct of its business, the Commission may, by rule or order, delegate any of its functions to a panel of commissioners, an individual commissioner, an employee board, or an individual employee, including functions with respect to hearing, determining, ordering, certifying, reporting, or otherwise acting as to any work, business or matter, and may at any time amend, modify, or rescind any such rule or order. Nothing in this subsection shall modify the provisions of section 7(a) of the Administrative Procedure Act.

"(2) Any order, decision, or report made or other action taken, pursuant to any such delegation, unless reviewed as provided in subsection (3), shall have the same force and effect, and shall be made, evidenced and enforced in the same manner, as orders, decisions, reports, or other actions of the Commission.

"(3) Any person aggrieved by any such order, decision or report may file an application for review by the Commission within such time and in such manner as the Commission shall prescribe. The Commission shall have authority on its own initiative to order any matters delegated under subsection (1) before it for review on such conditions as it shall prescribe and shall make such orders therein, consistent with law, as shall be appropriate.

"(4) In passing upon applications for review, the Commission may grant, in whole or in part, or deny such applications without specifying any reasons therefor. No such application for review shall rely on questions of fact or law upon which the individual commissioner, panel of commissioners, employee board, or individual employee, has been afforded no opportunity to pass.

"(5) If the Commission grants the application for review, it may affirm, modify, or set aside the order, decision, or report made, or other action taken in accordance with section 405.

"(6) The filing of an application for review shall be a condition precedent to judicial review of any order, decision, or report made or other action taken. The time within which a petition for review must be filed in a proceeding to which section 402(a) applies or within which an appeal must be taken under section 402(b), shall be computed from the date upon which public notice is given of orders disposing of all applications for review filed in any case.

"(7) The Secretary and seal of the Commission shall be the secretary and seal of each panel of the Commission, each individual commissioner, and each employee board or individual employee exercising functions delegated pursuant to subsection (1) of this section."

SEC. 3. Section 405 of the Communications Act of 1934, as amended, is hereby amended to read as follows:

"After a decision, order, or requirement has been made in any proceeding by the Commission or designated authority within the Commission under section 5(c)(1), any party thereto, or any other person aggrieved or whose interests are adversely affected thereby, may petition for rehearing only to the authority making the decision, order, or requirement; and it shall be lawful for such authority, whether it be the Commission or other authority designated under section 5(c)(1), in its discretion, to grant such a rehearing if sufficient reason therefor be made to appear. Petitions for rehearing must be filed within thirty days from the date upon which public notice is given of any decision, order, or requirement complained of. No such application shall excuse any person from complying with or obeying any decision, order, or requirement of the Commission, or operate in any manner to stay or postpone the enforcement thereof, without the special order of the Commission. The filing of a petition for rehearing shall not be a condition precedent to judicial review of any such decision, order, or requirement, except where the party seeking such review (1) was not a party to the proceedings resulting in such decision, order, or requirement, or (2) relies on questions of fact or law upon which the Commission, or designated authority within the Commission, has been afforded no opportunity to pass. The Commission, or designated authority within the Commission, shall enter an order, with a concise statement of the reasons therefor, denying a petition for rehearing or granting such petition, in whole or in part, and ordering such further proceedings as may be appropriate: *Provided,* That in any case where such petition relates to an instrument of authorization granted without a hearing, the Commission shall take such action within ninety days of the filing of such petition. Rehearings shall be governed by such general rules as the Commission may establish. The time within which a petition for review must be filed in a proceeding to which section 402(a) applies, or within which an appeal must be taken under section 402(b), shall be computed from the date upon which public notice is given of orders disposing of all petitions for rehearing filed with the Commission in any case, but any decision, order, or requirement made after such rehearing reversing, changing, or modifying the original order shall be subject to the same provisions with respect to rehearing as an original order."

SEC. 4. Section 409 (a), (b), (c) and (d) of the Communications Act of 1934, as amended, are amended to read as follows:

"(a) In every case of adjudication (as defined in the Administrative Procedure Act) which has been designated for hearing by the Commission, the hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act and such other rules as the Commission may prescribe not inconsistent therewith.

"(b) In such cases any party to the proceeding shall be permitted to file exceptions and memoranda in support thereof to such initial, tentative, or recommended decision, which shall be passed upon by the Commission or the authority to whom the matter may have been delegated under section 5(c)(1).

"(c) In any case of adjudication (as defined in the Administrative Procedure Act) which has been designated for hearing by the Commission, no person except to the extent required for the disposition of ex parte matters as authorized by law, shall directly or indirectly make any presentation respecting such case to the hearing officer, unless upon notice and opportunity for all parties to participate; provided that a Commissioner conducting the hearing shall be permitted to consult with his assistants and to participate, without restriction because of his conduct of the hearing, with the Commission upon review of the case or any other matter; provided further that examiners shall be permitted to consult with other examiners on questions of law. No person except to the extent required for the disposition of ex parte matters as authorized by law, and except for officers, employees or agents of the Commission not engaged in the performance of investigative or prosecuting functions for the Commission in such case or a factually related case, shall directly or indirectly make any presentation respecting such case to the Commission or designated authority within the Commission, unless upon notice and opportunity for all parties to participate.

"(d) To the extent that the foregoing provisions of this section and section 5(c)(4) are in conflict with the provisions of the Administrative Precedure Act, such provisions of this section and section 5(c)(4) shall be held to supersede and modify the provisions of the Act."

SEC. 5. Notwithstanding the foregoing provisions of this Act, the second sentence of subsection (b) of section 409 of the Communications Act of 1934 (which relates to the filing of exceptions and the presentation of oral argument), as in force at the time of the enactment of this Act, shall continue to be applicable with respect to any case of adjudication (as defined in the Administrative Procedure Act) set for hearing by the

Federal Communications Commission by a notice of hearing issued prior to the date of the enactment of this Act.

The section-by-section analysis presented by Mr. PASTORE is as follows:

SECTION-BY-SECTION ANALYSIS

1. Section 1 would repeal the provisions of section 5(c) of the Communications Act, relating to the review staff. Under these provisions, the review staff, even though it has no other functions than assist the Commission in adjudicatory cases, is nevertheless precluded from making any recommendations to the Commission. This restriction is wasteful and inefficient, since it deprives the Commission of the full assistance of which this review staff is capable, and requires the two-step procedure of instructions and draft order even as to the most routine interlocutory matters. The repeal of these unduly restrictive provisions should contribute to speedier action, without depriving parties of any rights in view of the continuing safeguards of section 409(c) of the Communications Act and section 5(c) of the Administrative Procedure Act.

2. Section 2 would permit the Commission to delegate any of its functions, including those in adjudicatory cases, to a panel of Commissioners, or individual Commissioners or employees, or an employee board (with the exception that adjudicatory hearings could only be conducted by one of the three authorities specified in section 7(a) of the Administrative Procedure Act). The decision of the authority to whom the matter was delegated could then be reviewed, in whole or in part, by the Commission, either upon its own initiative or upon an application for review filed by a person aggrieved by the decision; but the Commission could deny such application without assigning any reasons therefor. The filing of an application for review is made a condition precedent to judicial review of a delegated decision; and the application cannot rely on questions of fact or law upon which the delegated authority has been afforded no opportunity to pass. In this way, the case will be presented to the Commission (and if the application is denied to the courts) with a ruling on every issue, and the Commission will have an opportunity to review the decision before the matter goes before the courts.

These provisions will give the Commission much needed authority, now withheld under present section 5(d)(1), to employ panels of Commissioners or employee boards to pass on adjudicatory cases. Under the present law, it is necessary for the full Commission to hear every adjudicatory case, including such matters as fishing boat suspensions or the most routine aural broadcast cases. With the new authority the Commission will be able to concentrate on the important cases involving major policy or legal issues, and the hearing of all cases by some authority within the agency should be substantially expedited.

3. Section 3 would revise section 405, relating to petitions for rehearing, so as to reflect the above-described statutory scheme. As revised, the section would permit an aggrieved party to file a petition for rehearing only to the authority making the decision, that is, to the Commission, if it made the decision, or to the designated authority under the new 5(c)(1), if it issued the decision.

4. Section 4 would make extensive revisions in section 409, which contains general provisions relating to adjudicatory proceedings. First, it specifies in subsection (a) that the hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act and such other rules as the Commission may prescribe not inconsistent therewith. This latter provision is intended to make clear that the Commission, in its discretion, may adopt hearing safeguards even more stringent than those specified in the Administrative Procedure Act. Further, subsection (a) amends the present 409(a) by permitting one or more Commissioners to conduct the hearing, in accordance with the provisions of 7(a) of the Administrative Procedure Act.

Second, subsection (b) would retain the right of a party to file exception, which must be passed upon by the Commissioner or a designated authority within the Commission (e.g., a panel of Commissioners or employee board); it would eliminate the other provisions of 409(b) as unnecessary in view of the provisions of section 8 of the Administrative Procedure Act.

Further, it would change the existing law by making oral argument discretionary rather than mandatory. This does not mean that oral argument will no longer be available. On the contrary, it is expected that this valuable procedure would still be greatly employed by the Commission or the panels or employee boards. But the Commission would now have the discretion not to allow such argument in those instances where in its judgment it would serve no useful purpose, as for example in the case of a frivolous appeal or one having no merit or designed largely to gain delay. Every other major Federal regulatory agency presently has such discretion; clearly, the Commission should be given similar flexibility.

Third, the provisions of subsection (c) relating to ex parte presentations and separation of functions would be changed as follows:

(i) Any person, and not just those who have participated in the presentation or preparation for presentation of the case, would be enjoined from making ex parte presentations to the hearing officer or the Commission or designated authority within the Commission. This would extend the present salutory provision.

(ii) Examiners would be permitted to consult with other examiners on questions of law. Full and free discussion among the Commission's examiners of the legal issues in their cases should result in improving the quality of initial decisions and in expediting their preparation. Significantly, examiners in other agencies are governed by the standard in section 5(c) of the Administrative Procedure Act and thus are free to consult among themselves on questions of law; there is clearly no reason for proscribing such consultation in the case of the examiners of this one agency.

(iii) Where a Commissioner conducts the hearing, he may freely consult with his assistants (see sec. 4(f)(2)), and may participate in Commission discussion of the case or any other matter having similar or related issues without any restriction because of the fact that he was the hearing officer in the particular case. This provision is in line with the last sentence of section 5(c) of the Administrative Procedure Act and is intended to make clear that a Commissioner conducting a hearing may continue to participate in all Commission activities and to hear staff presentations in any matter, without raising the claim that an indirect ex parte presentation has been made to him.

(iv) There would be eliminated the provisions in present section 409(c)(2) and (3) proscribing in adjudicatory cases any staff contact with the Commission by the offices of General Counsel, the Chief Engineer, or Chief Accountant. Instead, only staff persons who had engaged in the performance of investigative or prosecuting functions in the case or a factually related one would be precluded from participating in the intra-Commission discussions leading to the issuance of the decision. This is the standard set out in section 5(c) of the Administrative Procedure Act, and, being directed squarely to the fairness problem involved, it is obviously the correct one. Virtually all the major administrative agencies have functioned well under it. There is thus every reason to permit the Commission to return to it. For, it is clearly wasteful to cut off the Commission in an adjudicatory case from the valuable assistance of its chief legal and engineering officers, where these officers have had no investigative or prosecutory connection with the case (or a factually related one).

Finally, subsection (d) provides that to the extent the foregoing provisions or those of the new section 5(c)(4) conflict with the provisions of the Administrative Procedure Act, the latter are superseded. This is made necessary by the statement in section 12 of the Administrative Procedure Act that no subsequent legislation shall be deemed to supersede the provisions of the act except to the extent that such legislation shall do so expressly. This legislation clearly goes beyond the Administrative Procedure Act in two respects:

(i) The Administrative Procedure Act, in section 5(c), exempts initial licensing proceedings from the separation of functions provision; section 409(c) would include such proceedings in its reference to any case of adjudication (as defined in the Administrative Procedure Act). See section 2(d) of the Administrative Procedure Act.

(ii) The restriction in section 5(c) of the Administrative Procedure Act on ex parte consultation by a hearing officer is limited to any fact in issue; the new section 409(c) would extend the limitation to questions of law also (with the proviso that the examiner could consult with another examiner on such questions).

Section 409(b) would also appear to go beyond the provisions of section 8 of the Administrative Procedure Act by bestowing on the parties the right to file exceptions to the initial decision. Finally, it has been argued that a ruling on the merits of every pleading filed in the case is required under sections 6(d) and 8(b) of the Administrative Procedure Act. Whatever the validity of this argument, section 409(d) of the bill, by its explicit reference to the new section 5(c)(4) which authorizes denial, without assigning reasons, of the application for review of a delegated decision, obviates any question on this score.

5. Section 5 provides that all cases set for hearing by the Commission prior to the date of enactment shall continue to be governed by the second sentence of the present section 409(b). This means that in such cases the Commission must hear oral argument upon the request of the parties.

YOUTH EMPLOYMENT OPPORTUNITIES ACT OF 1961

Mr. HUMPHREY. Mr. President, I introduce for appropriate reference a bill entitled "Youth Employment Opportunities Act of 1961." This measure is recommended and supported by the administration.

I acknowledge a privilege given me by the administration to introduce this bill. It has been given to me because of my long held interest in the problems of youth—but especially of my particular concern that we reestablish a youth conservation corps dedicated to the purpose of properly conserving and developing our human and natural resources.

It was a source of great satisfaction to me, 2 years ago, that the Senate recognized the importance of this program, when under the leadership of the Senator from West Virginia [Mr. RANDOLPH] and the Senator from Pennsylvania [Mr. CLARK] it passed my proposal (S. 812) to establish a youth conservation corps pro-

viding for a first year's enrollment of 50,000 young men, a second year at 100,000 and succeeding years at 150,000. The President of the United States was then a member of the Senate Labor Committee and he played a significant role in the improvements made by that committee in the bill that I introduced, and his good work was instrumental in securing Senate passage. Thus I am doubly delighted that the concept of this legislation is a part of the President's program.

There is now before the Senate Committee on Labor and Public Welfare, S. 404, sponsored by 22 members of this body which is identical with S. 812. I am confident that the Subcommittee on Employment and Manpower chaired by the able senior Senator from Pennsylvania [Mr. CLARK] who also played a key role in the perfection of S. 812 two years ago, will proceed expeditiously.

I know the subcommittee will recognize the Youth Conservation Corps is not an experimental program but rather one of proven value. Thus the Youth Employment Opportunities Act of 1961 will receive, I am sure, full and proper consideration along with S. 404.

In conclusion, Mr. President, I ask unanimous consent that there be printed at this point in the RECORD a letter of transmittal from the President to the President of the Senate, a letter from Arthur J. Goldberg, Secretary of Labor, to the President, and a statement of explanation on the Youth Employment Opportunities Act of 1961.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letters and statement of explanation will be printed in the RECORD.

The bill (S. 2036) to authorize the pilot training and employment programs for youth including on-the-job and other appropriate training, local public service programs, and conservation programs, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The letters and statement of explanation presented by Mr. HUMPHREY are as follows:

JUNE 7, 1961.

Hon. LYNDON B. JOHNSON,
President of the U.S. Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: I am transmitting herewith a draft bill to provide useful employment and training on a pilot basis for young men and women between the ages of 16 and 22.

As set forth in more detail in the enclosed letter to me from the Secretary of Labor and the accompanying memorandum, this legislation would provide pilot programs over a 3-year period, designed to develop the most effective methods of assisting our young people in acquiring the skills necessary for productive employment. The draft legislation would establish three different pilot programs through which young people can equip themselves for suitable employment: (1) on-the-job training, (2) a Youth Conservation Corps, and (3) local public service and public works programs performed in the areas in which the youths reside.

The progress we make as a Nation depends upon the use we make of our resources, including manpower. And it is especially important that our young people—the real key to our national future—be prepared to contribute to our economic growth.

Forecasts of the difficulty they can expect to meet in the next few years in finding suitable employment make it clear that we must act without delay. The approaches to this problem proposed in the attached draft will provide a solid base upon which an effective program can be built. We believe, too, that they will stimulate action by all elements of our communities, both public and private, in developing employment opportunities and training for our youth.

A letter similar to this is being sent to the Speaker of the House of Representatives.

Sincerely,

JOHN F. KENNEDY.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 2, 1961.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed herewith is a draft bill relating to the employment and training of youth which you indicated in your message of May 25 on urgent national needs you would be submitting to the Congress shortly. I am also attaching a statement explaining in some detail the bill's objectives and provisions.

The need of young people for training and jobs is imperative. Their future outlook is extremely dark unless constructive plans and programs are developed to assist them. In October 1960 some 300,000 young men and 150,000 young women from 16 to 20 years of age were unemployed. By 1965 we will have 40 percent more persons under 20 years of age in our labor force. By that time an additional 800,000 young people are expected to be looking for jobs. A much higher proportion of young people are unemployed than in other age groups. In January 1961 the unemployment rate for all ages in the civilian labor force was 7.7 percent while for the 16- to 20-year group it was 16.8 percent, more than twice the national average.

This draft bill, which is entitled the Youth Employment Opportunities Act of 1961, is intended to develop through the use of different kinds of pilot programs the best methods for assuring that our young people will find useful employment which they are equipped to carry out.

The bill provides three different approaches to this problem. One approach is to offer on-the-job and related training programs, including classroom instruction, in order to improve the employability of young people and to enhance their chance of advancement after their entrance into the labor market as adult workers.

A second approach provided by the bill is the so-called public-service, public-work employment and training program. Under this program the Secretary of Labor is directed to cooperate with State and local governments to develop opportunities for employing qualified young people on local public-service or public-work projects. These projects would furnish training experience with State and local public agencies or facilities, such as schools and hospitals, as well as in local conservation and similar work.

The third approach used in the bill is that of a Youth Conservation Corps. This would be a camp-oriented program in which the trainees would perform conservation and related work pursuant to agreements between the Secretary of Labor and Federal and State conservation agencies under the immediate supervision of those agencies. The trainees would receive a base compensation of $70 a month, as well as subsistence and necessary equipment, transportation, and similar expenses.

The Youth Conservation Corps would be available to young men between the ages of 17 to 22; the other programs to both young men and women 16 to 22. The bill contemplates that maximum use will be made of existing public and private agencies and groups for operating these programs. The Secretary of Labor is authorized, however, where appropriate and under certain conditions, to finance the cost of the on-the-job and related training programs and to pay training allowances. Similarly, he may pay as much as 50 percent of the cost of training in the public-service, public-work projects, up to a maximum of $20 a week per trainee, and contribute to other necessary expenses.

We hope by these programs to develop ways for channeling our young people into jobs as well as to encourage all elements in the community, public and private, to play a far greater role in developing employment opportunities and training for young people. When we encourage communities to become active in this vital area, we encourage the development of a lasting cure for economic ills.

Respectfully,

ARTHUR J. GOLDBERG,
Secretary of Labor.

STATEMENT IN EXPLANATION OF A BILL ENTITLED "YOUTH EMPLOYMENT OPPORTUNITIES ACT OF 1961"

The purpose of this bill is to improve employment prospects for young people in our country—one of the most compelling needs with which we are faced and one which future progress requires that we meet with constructive programs. It would authorize pilot programs utilizing three different approaches for providing training and useful work experience for the youth of our Nation. These experimental programs will permit development of effective ways of helping untrained and inexperienced youths to obtain employment, and will enable us to foster the most effective development and utilization of their potentials in our labor market. Furthermore, the projects authorized will contribute to the performance of useful local public service projects and of essential work to conserve and preserve our natural resources, the results of which will inure substantially to the public good.

A spectacular increase is taking place in the number of young people entering our labor force. Even though they will stay in school longer, workers under 25 years of age will account for nearly half of the labor force growth during the 1960's. By 1965 we will have 40 percent more persons under 20 years of age in our labor force then we now have. The crest of the tide of youths seeking employment will come in 1966 when an additional 800,000 young people are expected to be looking for jobs. Of the 26 million new young workers expected to enter the labor force this decade, over 18 million will not have completed high school and 2.5 million of these will not have completed even a grade school education. It is toward these latter groups that the programs in this bill are primarily directed.

Many of the young workers entering the labor force will not be equipped with the vocational and professional skills needed to find useful work and compete successfully. School dropouts, in particular, will be in need of further training and job preparation before their work potentials can be utilized effectively. Unless their skills can be upgraded, they are likely to face intermittent and unskilled work throughout their working lives, because more and more jobs in our economy, with automation and technological changes, require increasingly higher standards of skill. In accord with the national commitment in section 2 of the Employment Act of 1946 to achieve maximum

levels of employment, production, and purchasing power, additional public action is needed to develop ways to train and to channel these young workers into useful and productive jobs.

It is essential in the next few years—before the labor market is swamped by the influx of young people—to experiment with different approaches to provide work experience and training opportunities to out-of-school youth, geared to the type of education and training which is needed for them to secure employment. Today we do not have effective techniques of tested and proven training and work experience for school dropouts and other youths.

The Youth Employment Opportunities Act will provide training and work experience for a limited number of youths through the use of pilot programs authorizing projects for (1) on-the-job and other appropriate training, (2) local public service employment, and (3) camps to conserve and develop our forests and other natural resources. Since the results we intend to accomplish with this experimental program will seek the keys to the future success of our youths, the three programs will vary considerably in their details. This bill is designed to appeal to and to assist young people of widely different qualifications and aims to enable them to orient themselves realistically to the working world of the future.

The one-the-job and other appropriate training programs will develop ways to furnish a stimulus to employment and training for both young men and women between the ages of 16 and 22 to improve their employability and to enhance their chances of advancement after their entry into the labor market as adult workers. Training under these programs could include classroom instruction through arrangements with the Department of Health, Education, and Welfare.

The public service employment and training programs will develop measures to afford young workers between 16 and 22 with training and employment, both individually and in groups, in public jobs with adequate safeguards that it will not interfere with jobs for regular employees and that the rates of pay and other conditions of employment are reasonably consistent with comparable work in the locality.

The Youth Conservation Corps program will take young men between the ages of 17 and 22 and develop ways to provide them with work training in a healthful outdoor environment, furnishing also the experience of camp community living and educational opportunities. It is envisioned that a variety of combinations of work and training will be afforded, depending on such factors as the projects approved by the cooperating conservation agencies for the trainees to perform. This program will also have the important effect of contributing to essential public effort to accomplish needed conservation work.

In keeping with their experimental purpose, the programs would be authorized for 3 years. It is estimated that appropriations of $75 million would be required in the first year and $100 million in each of the next 2 years, with the funds divided in approximately equal proportions among the three types of programs. In the first year, it is estimated that this would support projects for over 50,000 youths, and for somewhat larger numbers in the second and third years, depending on the kinds of projects undertaken and the cost of the conservation camp facilities. After the second year of operation, the Secretary would be required to report to the President and to the Congress on the activities and programs authorized by this act, including an evaluation of their comparative effectiveness and recommendations regarding youth employment and training.

PRINCIPAL GENERAL PROVISIONS

The Secretary of Labor is authorized to administer the proposed Act and to make rules and regulations necessary for the operation of the programs it authorizes. He is also given authority to delegate functions to other agencies and to utilize the services of Federal and State agencies.

In making regulations for the selection of trainees, the Secretary is directed as far as practicable to provide: for a fair distribution of trainees among the geographic areas of the country; for consideration of the employment prospects in various occupations and industries; uniform criteria for the selection of trainees; and for a consideration of the benefits to the youths applying.

It is anticipated that the Secretary's functions in counseling youths and developing job opportunities will be of major importance to the success of the objectives of this bill. Our proposal, therefore, expressly directs the Secretary to perform these services for trainees who seek assistance under the bill. Such counseling will take into account the fact that some applicants should be advised to continue their education or embark on a career not included under this bill.

A Youth Employment Advisory Committee of 12 members, broadly representative of the public, would be established by the Secretary. He would also seek the advice and assistance of the heads of the Departments of Agriculture, Interior and Health, Education and Welfare and the Attorney General.

The bill provides that generally trainees would not be considered Federal employees.

ON-THE-JOB AND OTHER APPROPRIATE TRAINING PROGRAMS

The Secretary is directed to develop and promote the adoption of on-the-job and other appropriate training programs for youth, including supplementary classroom instruction through appropriate arrangements with the Department of Health, Education, and Welfare. To these ends, he is directed to make maximum use of appropriate private and public agencies, employers, trade associations, labor and industry groups, educational agencies and other community groups in developing and carrying out the programs. He may enter into agreements for the conduct of such programs by such groups, individuals, or organizations as he finds qualified and may select and refer trainees to the programs.

The Secretary is authorized to finance the costs of these programs and to pay training allowances for the trainees, up to $20 a week, provided the programs comply with standards which he determines. The bill specifies that the standards shall include the requirement that the program is adequate and suitable; that the training period is reasonable; that the wages paid are comparable to learners performing similar work in the community and that adequate and safe facilities, personnel and records are provided.

PUBLIC SERVICE EMPLOYMENT AND TRAINING

The Secretary is directed to cooperate with State and local governments to develop opportunities for employing qualified trainees on local public service programs. The programs authorized would be such as would not displace regular workers. The rates of pay would be measured by those for comparable work in the locality.

Public service programs subject to approval would be those furnishing training experience with State and local public agencies or publicly owned facilities, such as schools and hospitals, and on programs for the improvement or expansion of conservation, recreational, or other community facilities.

When the Secretary determines that a program meets the prescribed standards, he may enter into an agreement with the appropriate governmental body to pay as much as 50 percent of the cost of wages of trainees on the program, up to a maximum of $20 a week for the Federal share. The Secretary, in his discretion where necessary, may also furnish such tools, clothing, transportation or similar items for trainees as he finds appropriate.

YOUTH CONSERVATION CORPS

The Secretary is authorized to organize a pilot Youth Conservation Corps. The trainees would perform conservation and related work, pursuant to agreements between the Secretary and Federal and State conservation agencies, under the immediate supervision of such agencies. The supervisory Federal agencies, under agreement with the Secretary, would provide for quarters, subsistence, transportation, and equipment for trainees and other services or facilities as agreed upon, subject to payment therefor by the Secretary. Medical, hospital, and educational services would be provided through the cooperation of the Secretary of Health, Education, and Welfare. Arrangements for facilities for trainees used by the States would be provided under agreements with the States. The States would be required to defray up to one-half of the costs incurred for trainees used by the States, as determined by the Secretary.

Trainees would receive a base compensation of $70 a month, with up to an additional $20 a month payable on the basis of assigned leadership responsibilities or special skills. They would also receive quarters, subsistence, equipment, clothing, and transportation, the right to make allotments for dependents or saving funds, protection under the old-age and survivors insurance program of the Social Security Act and under the Federal Employees' Compensation Act. For the purpose of social security contributions and Federal Employees' Compensation Act benefits the wages of trainees are deemed to be $200 a month in order to add to the cash wage a factor representing the value of perquisites furnished the trainees.

Mr. HUMPHREY. Mr. President, the Youth Employment Opportunities Act of 1961 is recommended and supported by the administration. As I have said several times on the floor of the Senate, this proposed legislation will meet a very urgent need of employment opportunities for young men who today are without work and are in need of gainful employment.

AMENDMENT OF INTERSTATE COMMERCE ACT, RELATING TO REQUIREMENT OF OATH FOR CERTAIN REPORTS, AND SO FORTH

Mr. MAGNUSON. Mr. Presdent, by request, I introduce, for appropriate reference, a bill to amend the Interstate Commerce Act and certain supplementary and related acts with respect to the requirement of an oath for certain reports, applications, and complaints filed with the Interstate Commerce Commission. I ask unanimous consent that the letter, recommendation, and justification, received from the Chairman of the Interstate Commerce Commission, requesting the proposed legislation, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter, recommendation, and justification will be printed in the RECORD.

The bill (S. 2037) to amend the Interstate Commerce Act and certain supplementary and related acts with respect to the requirement of an oath for certain reports, applications, and complaints filed with the Interstate Commerce Commission, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter, recommendation, and justification presented by Mr. MAGNUSON are as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., May 24, 1961.

The Honorable WARREN G. MAGNUSON,
Chairman, Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: I am submitting herewith for your consideration and introduction 40 copies of a draft bill, together with a statement of justification therefor, which would give effect to Legislative Recommendation No. 13 in the Commission's 74th Annual Report.

Your assistance in introducing the bill and scheduling hearings thereon will be very much appreciated.

Sincerely,

EVERETT HUTCHINSON,
Chairman.

RECOMMENDATION NO. 13

This proposed bill would give effect to Legislative Recommendation No. 13 of the Interstate Commerce Commission as set forth on page 191 of its 74th annual report as follows:

We recommend, in view of the prohibitions in section 1001 of title 18, United States Code, that the Interstate Commerce Act and various related acts be amended to eliminate the mandatory requirement that certain reports, applications, and complaints be filed with the Commission under oath, and that such oath provisions be made discretionary with the Commission.

JUSTIFICATION

The purpose of the attached draft bill is to eliminate from various statutes administered by the Interstate Commerce Commission the mandatory requirement that certain reports, applications, and complaints be made under oath, and to authorize the Commission to impose such requirement at its discretion.

Under section 20(2) of part I and comparable provisions in other parts of the Interstate Commerce Act, the annual reports of the carriers are required to be filed with the Commission under oath. The oath requirement is also mandatory for reports filed under section 1 of the Accident Reports Act and section 9 of the Locomotive Inspection Act. By contrast, such requirement is discretionary with the Commission with respect to periodical or special reports filed under section 20(2) and various other provisions of the Interstate Commerce Act, and there is no statutory requirement at all of an oath for reports submitted by conferences, bureaus, and other organizations formed pursuant to section 5a of the act or for periodical and special reports filed under section 20b(6), relating to railroad securities modifications.

In addition to the mandatory requirement of an oath for the above-mentioned reports, an oath is also required for applications filed by railroads and motor carriers under sections 20a(4) and 214 of the act, respectively, for authority to issue securities, and for applications for exemption from regulation filed under section 204(a)(4a) by motor carriers operating solely within a single State. An oath is similarly required with respect to applications filed under section 77(p) of the Bankruptcy Act for Commission approval to solicit, use, or act under proxies, authorizations, or deposit agreements in railroad reorganization proceedings.

Other mandatory oath requirements are found in those provisions of the act governing the filing of applications for motor carrier, water carrier, and freight forwarder operating authorities and complaints involving the rates of motor contract carriers and water common and contract carriers. No comparable requirements are imposed, however, with respect to complaints involving the rates of railroads, pipelines, or express companies subject to part I; motor common carriers subject to part II; or freight forwarders subject to part IV of the act, respectively.

The foregoing oath requirements are, in the Commission's opinion, both unnecessary and burdensome. Section 35 of the Criminal Code (18 U.S.C., sec. 1001) imposes penalties of fine and imprisonment for knowingly making false statements or representations to Federal administrative agencies, and these provisions have been construed to apply to the giving of false information even though not under oath. Moreover, penalties for knowingly making false statements in carrier reports are contained in section 20(7)(b) and comparable provisions in other parts of the Interstate Commerce Act. In view of these statutory provisions against the giving or filing of false information, it seems clear that the mandatory oath requirements in the laws administered by the Commission no longer serve any useful purpose. On the contrary, they are burdensome to the carriers and cause delays and inconveniences in the processing of reports and other documents because of the necessity of returning them to the carriers for authentication when the oath has been inadvertently omitted.

The Commission therefore recommends enactment of the provisions in the attached draft bill which would make the present mandatory oath requirements discretionary with the Commission. Retention of discretionary authority would enable the Commission to require an oath should the need arise.

PROPOSED NATIONAL CAPITAL AIRPORTS CORPORATION

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to create the National Capital Airports Corporation, to provide for operation of the federally owned civil airports in the District of Columbia or its vicinity by the Corporation, and for other purposes. I ask unanimous consent to have printed in the RECORD a letter from the Administrator of the Federal Aviation Agency requesting the proposed legislation.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2038) to create the National Capital Airports Corporation, to provide for operation of the federally owned civil airports in the District of Columbia or its vicinity by the Corporation, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter presented by Mr. MAGNUSON is as follows:

FEDERAL AVIATION AGENCY,
Washington, D.C., May 25, 1961.

HON. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I transmit herewith for the consideration of the Congress a draft bill "To create the National Capital Airports Corporation, to provide for the operation of the federally owned civil airports in the District of Columbia or its vicinity by the Corporation, and for other purposes."

The primary purpose of the legislation is to place the operations of the federally owned civil airports in the Washington metropolitan area on a sound business basis so that they may better serve the traveling public, the airlines, and other users of aircraft, at a minimum cost to the taxpayer. Such legislation will facilitate improvements in the efficiency of airport operations, and will permit swift action to correct conditions where the safety or convenience of the public is involved.

A commercial airport operation is precisely the kind of predominantly business type activity for which the Congress has made provision by enacting the Government Corporation Control Act of 1945. Moreover, throughout the Nation public authorities engaged in the operation of commercial airports have generally been established as corporate organizations. The corporate form, which is based upon the experience of private business, has been found to aid greatly in the administration of Federal activities which are revenue producing, which are potentially self-sustaining, which have a large volume of commercial type transactions with the public, and which need greater flexibility than is provided for under the customary appropriation budget.

The desirability of operating National Capital area airports under the corporate form of organization has long been recognized. The first Commission on Organization of the Executive Branch of the Government (Hoover Commission) recommended in 1949 that the operation of the Washington National Airport be placed under a Government corporation. In his 1955 budget message, President Eisenhower recommended that legislation be adopted to provide for the establishment of a corporation to operate the Washington National Airport.

Bills to create such a corporation were introduced in both the House and Senate in the 83d Congress, and also in the 86th Congress.

During the 83d Congress the Senate Committee on Interstate and Foreign Commerce unanimously recommended enactment of the corporation legislation. The committee, in its report to the Senate, stated that in its opinion the legislation was necessary and advisable to provide more effective management for the Washington National Airport. It cited the essentially business nature of the airport operation. It also cited the difficulties which had resulted from the application of customary budgetary and fiscal practices designed for conventional Government agencies, the requirement that the airport return all of its income to the Treasury as general receipts, and various problems which had arisen in connection with contracting and the acquisition of property under requirements applicable to regular Government agencies.

The approaching completion of the Dulles International Airport will require efficient, integrated operation of two of the largest civil airports in the Nation. The volume of commercial transactions involved in the administration of both airports will increase enormously and the revenues from services provided by the airports will be substantially larger. Therefore, the need for a form of organization adapted to the conduct of business-type operations will become even more urgent.

The demands posed on airport operations by rapid developments in aviation require that the airport organization have the capability of responding swiftly to changing circumstances which directly affect the safety and convenience of the public and the efficient operation of air carriers. The normal

budget processes are simply not capable of responding to such unforeseen demands, and as a result, inadequacies constituting serious hazards to safety and interfering with efficient operations have persisted for prolonged periods of time at the Washington National Airport. Under the corporate form of organization the revenue of the airports can be utilized in the prompt correction of most inadequacies in airport services and facilities.

The existence of a corporation with business type budget and accounting practices will make it easier for the Federal Aviation Agency, the President, and the Congress to review and evaluate the effectiveness of airport operations and management. The corporation will also be able to conduct business negotiations with other commercial entities on a more satisfactory basis than is possible under the current system in which revenues are deposited directly in the Treasury and are not available to provide services or to meet obligations.

The corporation will continue to be under the strict scrutiny of the Congress in accordance with the provisions of the Government Corporation Control Act. Therefore, it will be possible both to achieve the operating and managerial advantages of the corporate form of organization and at the same time assure that the activities of the corporation are properly subject to congressional surveillance.

The creation of the corporation will entail no expenditures or increases in employment beyond those which would otherwise be required to operate and maintain the National Capital area airports under the present authority and form of organization.

The Bureau of the Budget has advised that there is no objection from the standpoint of the administration's program to the submission of this proposed legislation to the Congress.

Sincerely,

N. E. HALABY,
Administrator.

COMMEMORATION OF 75TH ANNIVERSARY OF INTERSTATE COMMERCE COMMISSION

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a joint resolution to commemorate the 75th anniversary of the Interstate Commerce Commission. I ask unanimous consent that a letter from the Chairman of the Interstate Commerce Commission, requesting the proposed legislation, be printed in the RECORD.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The joint resolution (S.J. Res. 99) to commemorate the 75th anniversary of the Interstate Commerce Commission, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on the Judiciary.

The letter presented by Mr. MAGNUSON is as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., May 25, 1961.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: As you know, April 5, 1962, will mark the 75th anniversary of the Interstate Commerce Commission. We are beginning to plan certain ceremonies in commemoration of the occasion.

There is enclosed a draft copy of a joint resolution which we believe would lend great impetus to the successful planning of these ceremonies. Your assistance in introducing this resolution will be very much appreciated.

Sincerely,

EVERETT HUTCHINSON,
Chairman.

HOUSING ACT OF 1961—AMENDMENTS

Mr. HART (for himself and Mr. YOUNG of Ohio) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 1922) to assist in the provision of housing for moderate and low income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, which were ordered to lie on the table and to be printed.

NOTICE OF PUBLIC HEARINGS ON S. 1396

Mr. McCLELLAN. Mr. President, as chairman of the standing Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, I wish to announce that the subcommittee has scheduled public hearings on S. 1396, dealing with trademarks, to commence on June 20, 1961.

The hearings, set for 10 a.m. are to be held in room 2228, New Senate Office Building.

Anyone wishing to testify or file a statement for the record should communicate immediately with the office of the Senate Patents, Trademarks, and Copyrights Subcommittee, Room 349A, Senate Office Building, Washington, D.C., telephone Capitol 4-3121 or Government code 180, extension 2268.

The subcommittee consists of the senior Senator from South Carolina [Mr. JOHNSTON], the junior Senator from Michigan [Mr. HART], the senior Senator from Tennessee [Mr. KEFAUVER], the senior Senator from Wisconsin [Mr. WILEY], the junior Senator from New Hampshire [Mr. COTTON], and myself, as chairman.

NOTICE OF REOPENING OF HEARINGS ON FEDERAL ELECTION LAWS

Mr. CANNON. Mr. President, the Subcommittee on Privileges and Elections held public hearings on May 11 and 12, 1961, to receive testimony and statements on several measures offering amendments and improvements to existing Federal election laws.

I wish to announce that hearings before the subcommittee will be reopened on Friday, June 9, 1961, at 10 a.m., in Room 301 of the Senate Office Building. Other hearings have been scheduled for Tuesday, June 13, at 10 a.m. and again on Thursday, June 15, 1961, beginning at 10:30 a.m.

The subcommittee expects to receive statements from Senators sponsoring or cosponsoring measures pending before the subcommittee and from the present chairmen of the National Democratic and Republican Committees. Other Members of Congress who have expressed interest in the bills under consideration have also been invited to appear.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. TALMADGE:

Article entitled "Public Relations: Our No. 1 Job," written by Secretary of Agriculture Orville L. Freeman, published in the Progressive Farmer of June 1961.

THE PRESIDENT'S REPORT TO THE NATION

Mr. MANSFIELD. Mr. President, last night the President delivered a report to the Nation. It was a very serious report on the very serious mission which he has just completed.

The report tells the Nation and the world many things. It tells us, first, that the foreign affairs of this Nation are being conducted with a deep understanding of the realities of the world and of the immediate pressures, as well as the great historic forces which shape them. It tells us that they are being conducted by a President of great depth, sincerity and conviction.

There was no idle boast, no bombast, no false optimism, no faltering fear in this report. There was simply a recount of the facts of a highly significant and useful firsthand exploration of some of the great issues which unite, as well as those which divide, mankind. I hope that all of us in the days ahead will try to match the President's soberness and steadfastness. I know that the Senate, and the American people, as well, desire peace and the security and progress of freedom. The depth of our conviction in this connection will be measured by our willingness to make the sacrifices, as these are entailed in essential legislation. It is easy enough to stand firm for peace and for freedom with words. Will we stand equally firm in acts? We shall have a test of our determination very shortly, when we have before the Senate the foreign-aid legislation which now is being studied by the Committee on Foreign Relations.

Let me say that this legislation is no panacea for our international difficulties; but let me say equally that this legislation, judiciously administered, is essential to the solution of those difficulties.

Mr. President, I ask unanimous consent that the text of the President's address to the Nation be printed in the RECORD following my remarks. But before I conclude, today, I want to express my deep sense of gratitude for the magnificent effort which Mr. Kennedy has just made on behalf of the Nation by his visit to Europe and his conversations with various heads of state. This grati-

tude, let me say, also extends to Mrs. Kennedy, whose graciousness and sensitivity contributed so greatly to this mission. I am confident that the Senate shares my feelings in this respect.

It is apparent, Mr. President, that the President's mission was singularly free of bombast and propaganda and spirits, which, however exhilarating they may seem at the moment, serve only to set the stage for the hangover. This was a sober and serious undertaking; and because it was, it can only help, rather than hinder, the search for a firmer plateau upon which to base the present uneasy peace of the world. Press comments on the Vienna meeting, both at home and abroad, reflect this comprehension; and I ask unanimous consent that a selection of these comments be printed in the RECORD after the text of the President's report.

Mr. MORSE. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. I wish to join the majority leader in expressing high commendation of the outstanding and truly great statesmanship displayed by the President of the United States in his recent trip to Paris, Vienna, and London. I am satisfied that the trip will renew the confidence of the American people in the great leadership they now have in the White House.

I am proud of the President; and I look forward to great progress in the field of international relations, flowing from the wonderful work the President did in behalf of the country and in behalf of world peace on this trip.

Mr. MANSFIELD. I thank the Senator from Oregon.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the address, the editorials, and the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 7, 1961]

PRESIDENT KENNEDY'S ADDRESS TO THE NATION ON HIS TALKS IN EUROPE

I returned this morning from a week-long trip to Europe and I want to report to you on that trip in full.

It was in every sense an unforgettable experience. The people of Paris, of Vienna, of London were generous in their greeting. They were heartwarming in their hospitality And their graciousness to my wife is particularly appreciated.

We knew, of course, that the crowds, and the shouts, were meant in large measure for the country that we represented, which is regarded as the chief defender of freedom.

Equally memorable was the pageantry of European history and their culture that is very much a part of any ceremonial reception.

To lay a wreath at the Arc de Triomphe, to dine at Versailles and Schoenbrunn Palace and with the Queen of England, these are the colorful memories that will remain with us for many years to come.

Each of the three cities that we visited—Paris, Vienna, and London—have existed for many centuries and each serves as a reminder that the Western civilization that we seek to preserve has flowered over many years and has defended itself over many centuries.

But this was not a ceremonial trip.

FOREIGN POLICY GOALS STRESSED

Two aims of American foreign policy above all others were the reason for the trip—the unity of the free world, whose strength is the security of us all, and the eventual achievement of a lasting peace. My trip was devoted to the advancement of these two aims.

To strengthen the unity of the West, our journey opened in Paris and closed in London. My talks with General de Gaulle were profoundly encouraging to me. Certain differences in our attitude on one or another problem became insignificant in view of our common commitment to defend freedom.

Our alliance, I believe, became more secure. The friendship of our Nation, I hope, with theirs became firmer. And the relations between the two of us who bear responsibility became closer and I hope were marked by confidence.

I found General de Gaulle far more interested in our frankly stating our position whether or not it was his own than in appearing to agree with him when we do not.

But he knows full well the true meaning of an alliance. He is, after all, the only major leader of World War II who still occupies a position of great responsibility. His life has been one of unusual dedication. He is a man of extraordinary personal character, symbolizing the new strength and the historic grandeur of France.

FRENCH MEETING 'VALUABLE'

Throughout our discussions, he took the long view of France and the world at large.

I found him a wise counselor for the future and an informative guide to the history that he has helped to make.

Thus we had a valuable meeting * * * Problems which proved to be not of substance but of wording or procedure were cleared away.

No question, however sensitive, was avoided. No area of interest was ignored. And the conclusions that we reached will be important for the future.

In our agreement on defending Berlin; on working to improve the defenses of Europe; on aiding the economic and political independence of the underdeveloped world, including Latin America; on spurring European economic unity; on concluding successfully the conference at Laos, and on closer consultations and solidarity in the Western alliance, General de Gaulle could not have been more cordial. And I could not have more confidence in any man.

In addition to his individual strength of character, the French people as a whole showed vitality and energy which were both impressive and gratifying.

Their recovery from the postwar period is dramatic. Their productivity is increasing, and they are steadily building their stature in both Europe and Africa.

And thus I left Paris for Vienna with increased confidence in Western unity and strength.

The people of Vienna know what it is to live under occupation and they know what it is to live in freedom. Their welcome to me as President of this country should be heartwarming to us all.

REPORTS ON KHRUSHCHEV

I went to Vienna to meet the leader of the Soviet Union, Mr. Khrushchev. For two days we met in sober, intensive conversation. And I believe it is my obligation to the people, to the Congress, and to our allies to report on those conversations candidly and publicly.

Mr. Khrushchev and I had a very full and frank exchange of views on the major issues that now divide our two countries.

I will tell you now that it was a very sober 2 days. There was no discourtesy, no loss of tempers, no threats or ultimatums by either side. No advantage or concession was either gained or given. No major decision was either planned or taken. No spectacular progress was either achieved or pretended.

This kind of informal exchange may not be as exciting as a full-fledged summit meeting with a fixed agenda and a large corps of advisers where negotiations are attempted and new agreements sought.

But this was not intended to be and was not such a meeting, nor did we plan any future summit meetings at Vienna.

But I found this meeting as somber as it was to be immensely useful.

I had read his speeches of his policies. I had been advised on his views. I had been told by other leaders of the West—General de Gaulle, Chancellor Adenauer, Prime Minister Macmillan—what manner of man he was.

CALLS DECISIONS HIS OWN

But I bear the responsibility of the Presidency of the United States and it is my duty to make decisions that no adviser and no ally can make for me.

It is my obligation and responsibility to see that these decisions are as informed as possible; that they are based upon as much direct, firsthand knowledge as possible.

I therefore thought it was of immense importance that I know Mr. Khrushchev, that I gain as much inside [information] and understanding as I could on his present and future policies.

At the same time, I wanted to make certain Mr. Khrushchev knew this country and its policies; that he understood our strength and our determination, and that he knew that we desired peace with all nations of every kind.

I wanted to present our views to him directly, precisely, realistically, and with an opportunity for discussion and clarification.

This was done.

No new aims were stated in private that have not been stated in public on either side. The gap between us was not, in such a short period, materially reduced, but at least the channels of communication were opened more fully.

SEES PERIL LESSENED

At least the chances of a dangerous misjudgment on either side should now be less, and at least the men on whose decisions the peace, in part, depends have agreed to remain in contact.

This is important, for neither of us tried to merely please the other, to agree merely to be agreeable, to say what the other wanted to hear.

And just as our judicial system relies on witnesses appearing in court and on cross-examination instead of hearsay testimony or affidavits on paper, so, too, was this direct give-and-take of immeasurable value in making clear and precise what we considered to be vital.

For the facts of the matter are that the Soviets and ourselves give wholly different meanings to the same words: war, peace, democracy and popular will. We have wholly different views of right and wrong, of what is an internal affair and what is aggression. And above all, we have wholly different concepts of where the world is and where it is going.

Only by such a discussion was it possible for me to be sure that Mr. Khrushchev knew how differently we view the present and the future. Our views contrasted sharply, but at least we knew better at the end where we both stood.

Neither of us was there to dictate a settlement or to convert the other to a cause or to concede our basic interests. But both of us were there, I think, because we realized that each nation has the power to inflict enormous damage upon the other, that such

a war could and should be avoided, if at all possible, since it would settle no dispute and prove no doctrine, and that care should thus be taken to prevent our conflicting interests from so directly confronting each other that war necessarily ensued.

We believe in a system of national freedom and independence. He believes in an expanding and dynamic concept of world communism.

And the question was whether these two systems can ever hope to live in peace without permitting any loss of security or any denial of the freedom of our friends.

However difficult it may seem to answer this question in the affirmative as we approach so many harsh tests, I think we owe it to all mankind to make every possible effort.

NO CAUSE FOR FEAR

That is why I consider the Vienna talks to be useful. The somber mood that they conveyed was not cause for elation or relaxation nor was it cause for undue pessimism or fear.

It simply demonstrated how much work we in the free world have to do and how long and hard a struggle must be our fate as Americans in this generation as the chief defenders of the cause of liberty.

The one area which afforded some immediate prospect of accord was Laos. Both sides endorsed the concept of a neutral and independent Laos, much in the manner of Burma or Cambodia.

And of critical importance to the current conference on Laos in Geneva, both sides recognized the importance of an effective cease-fire. It is urgent that this be translated into new attitudes at Geneva, enabling the International Control Commission to do its duty, to make certain that a cease-fire is enforced and maintained.

HOPEFUL IN LAOS TALKS

I am hopeful that progress can be made on this matter in the coming days at Geneva, so that it would greatly improve international atmosphere.

No such hope emerged, however, with respect to the other deadlocked Geneva conference seeking a treaty to ban nuclear tests.

Mr. Khrushchev made it clear that there could not be a neutral administrator in his opinion because no one was truly neutral, that a Soviet veto would have to apply to acts of enforcement, that inspection was only a subterfuge for espionage in the absence of total disarmament, and that the present test-band negotiations appeared futile.

In short, our hopes for an end to nuclear tests, for an end to the spread of nuclear weapons, and for some slowing down of the arms race, have been struck a serious blow.

Nevertheless, the stakes are too important for us to abandon the draft treaty we have offered at Geneva.

But our most somber talks were on the subject of Germany and Berlin. I made it clear to Mr. Khrushchev that the security of Western Europe and therefore our own security are deeply involved in our presence and our access rights to West Berlin, that those rights are based on law not on sufferance; and that we are determined to maintain those rights at any risk and thus our obligation to the people of West Berlin and their right to choose their own future.

Mr. Khrushchev, in turn, presented his views in detail. And his presentation will be the subject of further communications.

But we are not seeking to change the present situation. A binding German peace treaty is a matter for all who were at war with Germany, and we and our allies cannot abandon our obligations to the people of West Berlin.

CHALLENGE BY RUSSIAN

Generally, Mr. Khrushchev did not talk in terms of war. He believes the world will move his way without resort to force.

He spoke of his nation's achievements in space. He stressed his intention to outdo us in industrial production, to outtrade us, to prove to the world the superiority of his system over ours.

Most of all, he predicted triumph of communism in the new and less-developed countries. He was certain that the tide there was moving his way, that the revolution of rising peoples would eventually be a Communist revolution, and that the so-called wars of liberation supported by the Kremlin would replace the old methods of direct aggression and invasion.

In the 1940's and early fifties the great danger was from Communist armies marching across free borders, which we saw in Korea. Our nuclear monopoly helped to prevent this in other areas.

Now we face a new and different threat. We no longer have a nuclear monopoly. Their missiles, they believe, will hold off our missiles, and their troops can match our troops should we intervene in these so-called wars of liberation.

Thus the local conflict they support can turn in their favor through guerrillas or insurgents or subversion. A small group of disciplined Communists could exploit discontent and misery in a country where the average income may be $60 or $70 a year and seize control, therefore, of an entire country without Communist troops ever crossing any international frontier.

This is the Communist theory. But I believe just as strongly that time will prove it wrong, that liberty and independence and self-determination, not communism, is the future of man and that freemen have the will and the resources to win the struggle for freedom.

But it is clear that this struggle in this area of the new and poorer nations will be a continuing crisis of this decade.

Mr. Khrushchev made one point which I wish to pass on. He said there are many disorders throughout the world and he should not be blamed for them all. He is quite right.

FIGHT ON POVERTY URGED

It is easy to dismiss as Communist inspired every antigovernment or anti-American riot, every overthrow of a corrupt regime or every mass protest against misery and despair.

But these are not all Communist inspired. The Communists move in to exploit them, to infiltrate their leadership, to ride their crest to victory. But the Communists did not create the condition which caused them.

In short, the hopes of freedom in these areas which see so much poverty and illiteracy, so many children who are sick, so many children who die in the first year, so many families without homes, so many families without hope, the future for freedom in these areas rests with the local peoples and their government.

If they have the will to determine their own future, if their governments have the support of their own people, if their honest and progressive measures helping their people have inspired confidence and zeal, then no guerrilla or insurgent action can succeed.

But where those conditions do not exist, a military guarantee against external attack from across a border offers little protection against internal decay.

Yet all this does not mean that our Nation and the West and the free world can only sit by. On the contrary, we have a historic opportunity to help these countries build their societies until they are so strong and broadly based that only an outside invasion could topple them. And that threat, we know, can be stopped.

We can train and equip their forces to resist Communist-supplied insurrections. We can help develop the industrial and agricultural base on which new living standards can be built.

We can encourage better administration and better education, and better tax and land distribution, and a better life for the people.

All this and more we can do because we have the talent and the resources to do it if we would only use and share them.

I know that there is a great deal of feeling in the United States that we have carried the burden of economic assistance long enough. But these countries that we are now supporting—stretching all the way along from the top of Europe, through the Middle East, down through Saigon—are now subject to great efforts internally in many of them to seize control.

If we're not prepared to assist them in making a better life for their people, then I believe that the prospects for freedom in those areas are uncertain. We must, I believe, assist them, if we are determined to meet with commitments of assistance our words against the Communist advance.

The burden is heavy. We have carried it for many years. But I believe that this fight is not over, this battle goes on. And we have to play our part in it. And therefore, I hope again that we will assist these people, so that they can remain free.

It was fitting that Congress opened its hearings on our new foreign military and economic aid programs in Washington at the very time that Mr. Khrushchev's words in Vienna were demonstrating, as nothing else could, the need for that very program.

It should be well run, effectively administered. But I believe we must do it. And I hope that you and the American people will support it again, because I think it is vitally important to the security of these areas.

There's no use talking against the Communist advance unless we're willing to meet our responsibilities, however burdensome they may be.

NOTES AID BY FRENCH

I do not justify this aid merely on the grounds of anticommunism. It is a recognition of our opportunity and obligation to help these people be free. And we are not alone. I found that the people of France, for example, were doing far more in Africa in the way of aiding independent nations than our own country was, but I know that foreign aid is a burden that is keenly felt, and I can only say that we have no more crucial obligation now.

My stay in England was short, but the visit gave me a chance to confer privately again with Prime Minister MacMillan, just as others of our party in Vienna were conferring yesterday with General de Gaulle and Chancellor Adenauer.

We all agreed that there is work to be done in the West, and from our conversations have come agreed steps to get on with that work.

STRESSES WESTERN UNITY

Our day in London, capped by a meeting with Queen Elizabeth and Prince Philip, was a strong reminder at the end of a long journey that the West remains united in its determination to hold to its standards.

May I conclude by saying simply that I am glad to be home. We have in this trip admired splendid places and seen stirring sights, but we are glad to be home. No demonstration of support abroad could mean so much as the support which you, the American people, have so generously given to our country.

With that support I am not fearful of the future. We must be patient. We must be determined. We must be courageous. We must accept both risks and burdens. But with the will and the work freedom will prevail.

Good night and thank you very much.

[From the New York Herald Tribune, June 7, 1961]

THE PRESIDENT'S INTERIM REPORT

One could not expect President Kennedy in his prompt report to the Nation last night to do much more than express cautious optimism as to the results of his trip to Europe, coupled with a warning of dangerous days ahead. The world situation, as outlined by the President in his radio-television address, has undergone no immediate change as a result of his voyage to meet President de Gaulle, Premier Khrushchev, and Prime Minister Macmillan.

But there is nothing surprising in this, and the President undoubtedly was the last to expect anything different. For Mr. Kennedy, this journey to the summit was a voyage of exploration, and also of education. The confrontations with General de Gaulle and Mr. Macmillan, no less than with Mr. Khrushchev, were bound to be revelatory of the attitudes and approaches brought by different leaders to world problems.

Yet important as the meetings in Paris and London were, it was to the Vienna meeting of the American President and the Soviet Premier that Americans—and, no doubt, Russians as well—looked with most expectation. It is clear from press accounts and from last night's report by Mr. Kennedy that no agreements were reached on such critical matters as Berlin and arms control. The outlook for Laos is somewhat more hopeful, but here, as in so many other cases in the postwar era, it is not what Communist spokesmen say, but what Communist satellites do, that counts.

It is as an interim report rather than a final statement that President Kennedy's address last night was offered, and should be accepted. Nothing but good can come of his visits to Paris and London, where he had the chance to solidify personal as well as political relations with the leaders of our two great traditional allies. Some good may come from his visit to Vienna, which has served to reopen channels of communication, to establish beyond doubt the continuity of basic American foreign policy, and to demonstrate anew the need for patience and perseverance in the quest for peace.

President Kennedy characterized his meeting with Premier Khrushchev as "somber but immensely useful." The same description might be applied to his candid talk last night. For he told frankly of the size and the scope of the challenges and opportunities that lie ahead.

It is in the nature of our adversary that we must face these with caution. But it also is in our own nature that we can meet them with confidence.

[From the Baltimore Sun, June 7, 1961]

THE PRESIDENT REPORTS

President Kennedy's television account of his travels was instructive in two quite different ways. It was instructive for what it revealed about the effect of the trip on Mr. Kennedy himself. It was instructive for its insights into the actual state of the cold war.

As for the Kennedy psyche (and the state of the Kennedy psyche is important since he is our President), the trip provided a badly needed boost.

Part of this is traceable directly to the pomp and ceremony so well contrived by the experts in such matters in Paris, Vienna, and London. Let us not underestimate the effect of such glittering proceedings on anyone who is the object of them for the first time.

A more important part (and Mr. Kennedy made this clear) is owing to President de Gaulle; his wisdom, his sympathy and fatherly encouragement and his tremendous certitude. It may be that the strengthening he got from the old man who come, close to being France itself was the most important product of this trip. And to round out the educational results was his 2-day encounter with the equal but hostile certitude of Mr. Khrushchev. At that encounter, Mr. Kennedy discovered once and for all what it is all about, and what it has been all about since a long time before Mr. Kennedy became President.

As to substantive issues, Mr. Kennedy was far less vague than is usual in such reports. It is clear that, for him, doubts on the essential reliability of France in the grand alliance have been removed. He sees that negotiations over nuclear testing are at such an impasse as to raise the question whether there is any point in carrying them on further. He offers no great hope on Laos. He puts a proper, a chilling, value on the new Soviet insistence on a veto over any international arrangement—including the United Nations itself—in which it consents to participate. He concedes (what had been suspected) that discussion of Berlin was the grimmest single part of his whole conversation with Mr. K. And finally, after all the ho-hum and flub-dub about missile gaps and such matters, he downgrades the prospect of hot as distinct from cold war.

This was a cold war message, and a good one, in which the need for military strength was, of course, implicit from beginning to end, yet was never, when one comes to think of it, actually mentioned. He showed a sound instinct, and political shrewdness, in putting the effect of this message to the service of the foreign aid program rather than the military program. The need for the one is less well understood by Congress and the people than the need for the other.

[From the Baltimore Sun, June 6, 1961]

BONN ANXIETY ON TALK ENDS—ADENAUER PLEASED BY KENNEDY'S VIENNA STAND

(By Bynum Shaw)

BONN, June 5.—With evident relief, Chancellor Konrad Adenauer passed the word to top officials of his Government tonight that President Kennedy had "made a good stand" in his Vienna talks with Premier Khrushchev.

The signal for a tense West German capital to relax came after the Chancellor was briefed for 2 hours on the proceedings by Foy D. Kohler, Assistant Secretary of State for European Affairs.

The briefing, which also was attended by the American Ambassador, Walter C. Dowling; Hans Globke, a Chancellery assistant; and Karl Carstens, Foreign Office Under Secretary, took place in Dusseldorf, where Adenauer was addressing a convention of Catholic workers.

PLEDGES REISSUED

Officials here said the Chancellor was extremely pleased over the "swiftness" of the appraisal and was satisfied that Mr. Kennedy had not deviated in the slightest from his earlier pledges on Germany.

The Foreign Office made a point of reciting those pledges by reissuing the heart of the communique covering the talks between Adenauer and Mr. Kennedy April 13.

The communique commits both countries to the proposition that "only through the application of the principle of self-determination can a just and enduring solution be found for the problem of Germany, including Berlin."

It also pledges Bonn and Washington "to preserve the freedom of the people of West Berlin pending the reunification of Germany in peace and freedom and the restoration of Berlin as the capital of a reunified country."

On the basis of the Dusseldorf briefing, Government sources were predicting tonight that Moscow now will allow the Berlin problem to rest rest "for awhile," probably until October. But they refused to give any basis for the prediction.

Earlier today Felix von Eckardt, Federal press chief, had said the outstanding characteristics of the Vienna talks were their frankness and realism.

FAR-REACHING UNDERSTANDING

He said the talks might be used as the starting point for far-reaching understanding in the future.

In addition to the report from the American side, Adenauer also received from French President Charles de Gaulle a private assessment of the earlier Franco-American discussions in Paris.

Bonn officials indicated that De Gaulle in his message had predicted certain changes in the NATO setup which sound positive.

Speculation as to the nature of the proposed changes was widespread in the German capital, ranging from equipping NATO with intercontinental ballistic missiles and strategic bombers to the establishment of a new NATO political body and the nomination of a Frenchman to succeed American Gen. Lauris Norstad as NATO military chief. Official sources declined to discourage the speculation.

KROLL BACK FROM MOSCOW

While the Adenauer Government was concerned primarily with affairs involving the entire free world, it had its own private problems today too.

For one thing, Hans Kroll, German ambassador to Moscow, showed up at the Foreign Office here to discuss the reopening of cultural exchange negotiations between Bonn and Moscow.

The talks broke down last month over the issue of including West Berlin artists in the exchange agreement as representatives of West Germany.

REFLECTION EXPECTED

Officials here believe it will be possible to read the outcome of Vienna in the attitude of the Russians toward reopening the talks. A Foreign Office source said Bonn will let Moscow make the next move.

The Bonn Government also declared it was astonished and dismayed over reports that Brazil has opened official contacts with Communist East Germany.

[From the Washington Star, June 6, 1961]

MISSION ACCOMPLISHED

President Kennedy has wound up his journey abroad with an appropriate visit to London, and he has returned with renewed assurances that Britain can be relied upon to continue cooperating closely with the United States in pursuing their common purposes and dealing with the major problems that beset the world.

These assurances have been received from Prime Minister Macmillan, with whom Mr. Kennedy has reviewed the international situation in the light of the talks just held with President de Gaulle in Paris and Soviet Premier Khrushchev in Vienna. Among other things, as set forth in the London communique, Mr. Macmillan has made clear that Britain is in full agreement with France and the United States on the necessity of maintaining the rights and obligations of the allied governments in Berlin. If this means anything at all, it means that the Kremlin will be well advised not to underestimate Anglo-French-American determination to defend the free sectors of the city against any threat of a Communist takeover.

It may be assumed that Mr. Kennedy, besides presenting a good summary of his highly encouraging talks with General de Gaulle, has given Mr. Macmillan a detailed account of the exchange of views with Mr. Khrushchev in Vienna. The account, apart possibly from some promise of progress toward an agreement on Laos, can hardly have been cheering. For the Soviet Premier appears to have been as uncompromising as ever in relation to such matters as Germany and his demand for a veto over any nuclear test ban or any system of general disarmament. But the British Prime Minister, having himself confronted Russia's tough leader, is accustomed to this kind of negativism, and it does not necessarily mean that nothing has been gained from the President's first venture—a strictly limited one—in the difficult art of summitry.

Mr. Kennedy will give his own interpretation of the results of this venture in his report to the Nation tonight. Meanwhile, it is good to welcome him back home from his strenuous, hard-driving mission in behalf of peace—a mission which may actually prove to have been more successful than appearances suggest at the moment. Or so let us hope.

[From the New York Times, June 6, 1961]

NEHRU HEARTENED BY VIENNA REPORT—MOST NATIONS REGARD PARLEY AS GOOD BEGINNING

NEW DELHI, INDIA, June 5.—Prime Minister Jawaharlal Nehru welcomed today the good news from the Kennedy-Khrushchev talks in Vienna and said he hoped the conversations would have an easing effect on discussions in Geneva about Laos and other matters.

Mr. Nehru said the news from Vienna was very good, a good beginning, and the most we could have expected at this time.

Officials at India's External Affairs Ministry said the Government was particularly pleased by the leaders' reaffirmation of their support for a neutral and independent Laos under a government chosen by Lao themselves.

They expressed the belief that the Lao cease-fire would become more foolproof and effective as a result of the Vienna talks.

TITO HAILS MEETING

[Special to the New York Times]

BELGRADE, YUGOSLAVIA, June 5.—President Tito hailed today the meeting in Vienna between President Kennedy and Premier Khrushchev as a useful step toward possible settlement of world problems.

Speaking at a meeting in Krusevac, a town in central Serbia, the Yugoslav chief declared:

"We greet from the bottom of our heart the Kennedy-Khrushchev meeting, which should have taken place much earlier."

The greater part of Marshal Tito's speech, which was broadcast later by the Belgrade radio, was concerned with domestic affairs, but he said the conference of neutralist nations opening in Cairo today was designed to help the great powers achieve a peaceful settlement of world problems, not to create a third bloc.

The Cairo meeting has the task of making plans for a meeting of leaders of smaller nations to combine approaches to world issues inside and outside the United Nations.

ROME PRESS UNITES IN PRAISE

[Special to the New York Times]

ROME, June 5.—The leftwing and rightwing press was united this morning in applauding the Kennedy-Khrushchev meeting in Vienna.

The meeting has been a good beginning, according to the Communist newspaper Unita, the conservative Il Tempo and independent Il Messagger stressed the feeling that the conversations had been useful.

By the time the afternoon newspapers reached the streets all but the Communist and pro-Communist papers had become more cautious. Most newspapers described the talks as useful but not fruitful.

There was no official comment.

ITALY'S U.N. AID HOPEFUL

[Special to the New York Times]

UNITED NATIONS, N.Y., June 5.—Italy's new delegate to the United Nations expressed hope today that the meeting of President Kennedy and Premier Khrushchev might reduce world tension a little bit.

Vittorio Zoppi made the observation after presenting his credentials to Secretary General Dag Hammarskjold. He also expressed hope that the slight change in the international political atmosphere might mean that next fall's General Assembly would not be as hard as the last one.

NO SPARKS, GOOD OMEN

LONDON, June 5.—No sparks flew in Vienna—and in the considered opinion of Europe that was a good sign.

Governments and editorial writers on both sides of the Iron Curtain, in comment on the weekend meeting of President Kennedy and Premier Khrushchev, viewed the calm atmosphere as a mildly hopeful omen.

From Norway to Italy, commentators professed to feel that there was more to the meeting than the two statesmen just sizing each other up.

Communist organs generally referred to the Vienna meeting as a good beginning and declared more talks would be needed.

The Communist party newspaper Pravda commented that the meeting encourages people of good will who detest the cold war and who strive for an enduring peace.

The government newspaper Izvestia said the Vienna talks helped to disperse prejudice and distrust, though some was still around in the West among people who continue to be blinded by a position-of-strength policy.

[From the New York Times, June 6, 1961]

NO TIME TO RELAX

The Soviets are seeking to create something like a "spirit of Vienna" by hailing the Khrushchev-Kennedy meeting as a "good beginning" toward solving the great world problems. If that were the real Soviet attitude, the world could rejoice.

But we have long since learned that the Soviets talk one way and act another, that they exploit a "spirit," whether of Geneva or Camp David, to lull the West into a false sense of security, to disarm it psychologically and to split the Western allies with the wedge of their own differences.

So far as can yet be seen, nothing has changed. The Soviets continue their drive for world domination, with Berlin and Laos as immediate focal points. They seek to prevent any interference with their plans by insisting on tripartite control, with a built-in veto for themselves, on all international action, whether by the United Nations or by a control body for nuclear testing. The free world cannot, therefore, take anything for granted. It must remain strong not only in the interest of free world defense but also because in its strength lies the best hope for peaceful settlement.

This means first and foremost giving what President Kennedy calls "new life" to the North Atlantic alliance. The alliance is the basis of his warning to Premier Khrushchev that the United States fought in two world wars to defend Western Europe and would do so again; and it is the power behind his reinforced agreements with both President de Gaulle and Prime Minister Macmillan to defend West Berlin.

Unfortunately, valiant resolutions in the North Atlantic Council are not always matched with performance. NATO forces are still below required strength. But President Kennedy is taking the lead in remedying the situation. Subject to approval by Congress he is moving toward arming NATO with a truly multilateral nuclear striking force to which the United States would contribute Polaris submarines and also strategic bombers and long-range missiles. He is discussing plans for a new political body in NATO for more effective consultation and putting its forces in Europe under French command to meet some of President de Gaulle's complaints and to facilitate military and nuclear integration. He is pressing on the British definite contingency plans for the defense of Berlin. He urges increasing aid to underdeveloped countries to keep them in freedom's camp.

All these proposals are and must be conditioned on the willingness of our European allies to contribute their fair share toward both military and economic defense by raising their own conventional forces and their financial support. They will only be inviting disaster for all of us by failure to meet the challenge.

[From the Wall Street Journal, June 6, 1961]

DESCENT FROM THE SUMMIT—THAT NOTHING MUCH HAPPENED IS ACHIEVEMENT OF SORTS

(By Vermont Royster)

VIENNA.—For all the hard things that lie ahead for the United States after Vienna, what happened here may have been the best thing that anyone could have expected. That is, nothing very much really happened. And that, paradoxically, may be an achievement.

There was nothing cheerful for the peace of the world in the 2-day meeting between President Kennedy and Premier Khrushchev. On the central issues that divide Russia and the United States—nuclear testing, Berlin, and the United Nations—the lines may now well become more rigid. Conceivably this meeting could even make the cold war colder.

Nonetheless, when Premier Khrushchev flew out of here yesterday for Moscow, he should have left behind at least one illusion he brought with him. He may still believe that the sweep of communism over the world is inevitable, and that he holds the upper hand over the United States in terms of power. But at least he has been disillusioned in any hope that just by waving that power he could win easy concessions from President Kennedy.

And President Kennedy, too, must have lost an illusion. For he also found Premier Khrushchev unyielding in all matters of substance. The new President was thus reminded that in this cold war the controlling things are the issues that divide communism from the West and not the personalities of the man who is U.S. President and the man who rules the Communist empire.

If the men around the President reflect his own feelings, it is likely to be some time before he is again tempted to think that he can move Russian policy by sitting down with Nikita Khrushchev.

And there is even a good possibility that the failure of this meeting to change the state of the world may teach some others besides President Kennedy an important lesson about summit conferences and personal diplomacy. If the lines are now more rigid on the Soviet side, they may also be firmer on the Western side.

In any event, the fears of those who thought Premier Khrushchev would push President Kennedy into an impossible corner or trap him into some unwise agreement did not materialize.

BASIC TROUBLES REMAIN

So not all the results are gloomy. The basic troubles which threaten the world today, it ought not to be forgotten, would have been there this morning even if these two men had never met. They are just seen more clearly after this strange meeting.

It was indeed a strange meeting.

President Kennedy came here direct from Paris where he did seem to have a measure of success with his personal diplomacy. Nearly all the issues between America and France that existed when Kennedy arrived there still existed when he left, but those differences were always less than the unifying forces between the two countries. The Kennedy's undoubtedly charmed Paris and the President apparently impressed the General. Here the results of personal contact would have to be put on the credit side of the ledger.

On the surface, the Vienna visit went the same way. President and Premier strolled in the garden of the U.S. Embassy, lunched together twice, shared a state dinner, huddled privately without advisers for 3 hours, took their ladies to a musical gala, and altogether spent a good many hours in personal discussion.

Indeed it's worth noting that when this meeting came to nought it was not because of any boorish behavior on the part of Premier Khrushchev. By all reports he was always courteous, respectful to the President and apparently personally impressed by him. If a willingness to seek peaceful settlements on the part of the U.S. President and good behavior on the part of the Soviet Premier were all that was necesary for a successful meeting, this one would have been a success.

But, of course, this was not all the situation. Premier Khrushchev came to this meeting with some firm objectives in mind. Among them was an effort to force the United States into accepting his plan for reorganizing the United Nations, for a settlement of the nuclear test suspension without inspections, and the acceptance of the Russian two Germanys plan.

To gain these concessions from the United States, the Russian Premier offered both threats and blandishments. He talked tough about Soviet power and at the same time seemed ready to offer some apparent concessions on Laos. But these concessions were really little more than the Russians had already indicated and were more apparent than real. In any event, the bargain was one which no President could have accepted.

WAS IT ALL NECESSARY

President Kennedy did not. Since much of their conversation was private no one can be certain exactly what was said. But in the group discussions the President is reported to have stood firm and in addition to have gone to great lengths to try to disabuse the Premier of any illusion he might have about American military weakness or lack of determination.

That being the case, the meeting could have ended no place but where it did—right where it started. And the state of the world left right where it was before.

Since it was clear long before the meeting started that the Russians were not going to make any meaningful gestures on the dividing issues, and since no President in his right mind should have yielded to them, it is a fair question to ask: Was this trip necessary?

On logic alone, the answer may be no. President Kennedy's former position—no summit meeting without some signs of changes in the Soviet position—is generally the sounder one.

It is not only that otherwise such meetings must prove, as this one did, fruitless of any agreements; there is the added disadvantage that holding fruitless meetings often builds up to disappointment and sometimes even sharpens the differences, as this meeting may have done.

Yet this is a lesson, it seems, that has to be periodically relearned. It was relearned here by President Kennedy, and in a different kind of way by Premier Khrushchev. Neither should now have any illusions about the other. But more importantly, perhaps, Mr. Khrushchev will now have no illusions that he can win what he wants by bluster, and Mr. Kennedy none about the intentions of Communist Russia.

President Kennedy should come out of this meeting a wiser and more experienced man. The rest of the world may now be a little disabused of its idea of an America without will to stand up to the Russians. And the Russians themselves may be forced now to go home and reassess their picture of the cold war.

So even if this trip may not have been logically necessary, it may turn out to have been useful.

[From the New York Times, June 6, 1961]

VIENNA

(By Walter Lippmann)

From the reports based on official briefings we know enough about the Vienna meeting to say that it was significant and important because it marked the reestablishment of full diplomatic intercourse. As a result of the U–2 and the breakup of the summit conference in Paris, there was in fact, although not in form, a rupture of diplomatic relations between Moscow and Washington.

Since President Kennedy's election there have been moves on both sides to repair the break, first through the careful diplomacy of Mr. Thompson, our Ambassador in Moscow, and then through the Vienna meeting which set a seal upon the resumption of diplomatic intercourse.

This is a very considerable achievement, over and above specific agreements and disagreements which were reached in the conversations. For it is only by diplomacy, that is by continual talking, that the ultimate showdown, which neither side wants or can afford, can be put off—and the conflict in the end outgrown and outlived. A world-wide settlement is not in any true sense possible, or even conceivable. But a regulation of the danger of war is possible and is imperative.

It is only by diplomatic talk that the two sides can avoid pushing themselves or getting pushed into some dead-end street where there is no choice except surrender or suicide.

It seems fair to say that an awareness of this existed in the meeting at Vienna. Both men are quite well aware that neither of them is in a position to deliver an ultimatum to the other, and that neither is able, even if he personally were willing, to yield to the other beyond the point where an accommodation of their interests, not a surrender of them, is reached.

Neither side can dictate to the other. Neither side can conquer the other. Neither side can surrender to the other. Therefore, solutions by negotiation and diplomacy are indispensable.

This is illustrated by the one specific issue which is discussed in the official communique. That is Laos. Quite evidently Laos is not of such vital interest to the Soviet Union or to the United States that either of them would in cold blood be willing to fight a costly war to impose its terms of settlement. But at the same time, and of equal gravity, is the fact that an attempt to impose a surrender of Laos to the Communists, that is to say in the end to the Chinese Communists, would be intolerable to the United States and that military moves which would not be undertaken in cold blood might be undertaken in hot blood.

The object of diplomacy is to anticipate and resolve, to cool the fevers of intolerable choices in which the issue is surrender or suicide. In Laos, as the Khrushchev-Kennedy communique recognizes, neutralization is the best possible accommodation of the conflicting interests. In neutralization we abandon the ambition, which was entirely misguided in the first place, of an American satellite government. The other side gives up the hope of absorbing Laos into the Communist orbit.

Whether a neutral Laos can in fact be created is, of course, highly uncertain. We do not know, for example, whether in his relations with Red China, which has the predominant interest in southeast Asia, Mr. Khrushchev has a free hand to do at Geneva what he promised to do in Vienna.

We may hope that he will try. The greater interests of the Soviet State are not involved deeply in Laos or in southeast Asia. For Mr. Khrushchev as for Mr. Kennedy what is at stake in southeast Asia is, in the main, prestige. There would be no loss of prestige for either side if Laos became a neutral state under a government agreed to by the three Lao princes, and legitimatized in an international treaty. It is not at all impossible that such an arrangement to neutralize Laos might be expanded into an arrangement to neutralize all of southeast Asia. This regional association might be guaranteed by India and by Pakistan, by the United Nations, and all the great powers including mainland China.

As to Berlin, which was discussed at some length, the record shows that there has been no showdown and that none is imminent. More time, to be used in continuing discussion, is indispensable.

For Berlin is the supreme example of a situation which could become a dead-end street where for each side the choice was surrender or suicide. Nobody can afford to have any illusions about Berlin—either that Mr. Kennedy would never fight or that Mr. Khrushchev would never fight. Mr. Khrushchev must not have the illusion that the United States would not fight if he drove it into a corner. Mr. Kennedy must not have the illusion, which is held by some of his advisers, that the Soviet Union can be driven into a corner, that it can be intimidated, and that it does not have to be listened to. Nor can we allow ourselves to be caught in the illusion, which is to be found both in Bonn and in Paris, that the West can refuse any negotiation and leave things exactly as they are by threatening to go to war.

The danger of Berlin is that the two sides will let themselves be pushed by their extremists—in East Berlin and in Bonn—into a situation where the problem is what happens when an irresistible force collides with an immovable object. I have a certain amount of confidence that the two men were conscious of this, and having talked with each other are now still more conscious of it, and still more determined that slowly and patiently they must find a way to avoid the intolerable choice.

[From the New York Post, June 5, 1961]

FOOTNOTE TO VIENNA

The Vienna dialog ended with a cryptic communique that reveals almost nothing about what really happened. That no simple solutions were fashioned overnight is as plain as it was predictable. What we may not know for many hours or weeks is whether any semblance of real communication was achieved.

We detect in some immediate local comment a certain relief at the news that no accords were reached. Such remarks have the tone of a nervous matron whose daughter has emerged unscathed from her first rendezvous with a mischievous older man.

In Mr. Khrushchev's camp there is probably similar satisfaction being voiced about his stolid resistance to the charms of a younger companion.

Our instinctive sense is that humanity has lost nothing and perhaps gained something from this encounter. The grave risk was not that Mr. Kennedy would cravenly surrender, but that the meeting would end in some verbal explosion which would block any future exchange. That did not happen.

Our hope is that Mr. Kennedy gave Mr. Khrushchev a true awareness of the degree to which our concern for freedom is matched by our yearning for peace. Conceivably this interview has shaken some of the doctrinaire images of American leadership to which the commissars cling. At the same time Mr. Kennedy may have obtained a glimpse of the pressures operating on Mr. Khrushchev inside the Communist domain.

Some immediate clue may emerge at Geneva, where the search for a nuclear test ban goes on. It is in that life-and-death area that any new prospects for mankind should be soon revealed. But the essential mystery may remain for an infinitely longer time. The question is whether John F. Kennedy and Nikita Khrushchev were able for even a moment to break the sound barrier that divides our systems and our ways of life, and to detect their common peril as leaders in the atomic age. Neither man is likely to divulge the answer quickly.

[From the Washington Star, June 6, 1961]

THE POLITICAL MILL—THE VALUE OF THE KENNEDY TRIP

(By Gould Lincoln)

The visit of President Kennedy to Paris, to Vienna, and to London has, it appears, established once more the friendly feeling and respect of our allies, France and Great Britain, toward the United States, and has served notice to the Communist world that the determination of the free world to remain free is not to be brushed aside. The receptions given to President Kennedy by General de Gaulle, President of France, and Prime Minister Macmillan of Great Britain, and by the Russian Premier, Nikita Khrushchev, have been significant. The word is out that the United States is still very much on the map, still a world leader. It is heartening, after the evident slump of our prestige following the Cuban fiasco, further increased by the long delay over a cease-fire in Laos.

It is an old axiom that actions speak louder than words. The words have now been said. President Kennedy and Premier Khrushchev have spent many hours discussing the problems which divide the East and West, the free world and the world behind the Iron Curtain. There has been no report on what was actually said—about West Berlin and Germany, about Laos, about disarmament, and nuclear testing. In fact, the only thing at all tangible that has come out was an expression that both Soviet Russia and the United States wish for an effective cease-fire in Laos.

President Kennedy on his return today, will make a report not only to the leaders in Congress but to the American people regarding his trip. Until he speaks, there are several questions uppermost in many minds. The principal, has his trip made the cold war between the United States and Russia less cold in any degree? When the trip was projected, on the initiative of Premier Khrushchev, it was described merely as an opportunity for Mr. Kennedy to talk things over with Mr. Khrushchev, not as an effort to obtain and to seek agreements on vital subjects. The one thing predicted was that Mr. Kennedy would make clear to the Russian leader the United States would not yield to Communist aggression; and that a third world war could easily be touched off if the Communists either wished it or acted without the knowledge that the United States would fight.

A-TEST TALKS STALLED

Eyes turn now to Geneva, where the conferences on Laos and on nuclear testing and disarmament have been stalled because of Russian demands and delays. If there is to be action, if agreements can now be reached, the value of the Kennedy trip to Vienna will have paid off, indeed. The great difficulty in the past has been to get anything from the Russians beyond words. And when they have acted, the action has tended to make worse, rather than better, the relations between the free world and the Iron Curtain world. If there was any saber rattling in the Kennedy-Khrushchev talks, it has not been disclosed. To the contrary, the wish was expressed that better relations would be found possible and Mr. Khrushchev even went so far as to say that President Kennedy would be a welcome visitor to Moscow—an invitation to which Mr. Kennedy has yet to make any reply. The Russian Premier is evidently willing to continue talks about the problems which confront both the United States and the Soviet Union.

OUR EXPERIENCE WITH REDS

If there is to be an agreement reached at Geneva regarding the future of Laos, and the agreement provides for a government in which the Communists or Communist supporters are given a share in the Government of that country, the United States may take a dim view of the situation. We had our experiences in China and elsewhere, where Communists have had a share, no matter how small at the start, in government. The result was an eventual takeover by the Communists. What will be the Communists' next move in regard to South Vietnam? If the supposed buffer state of Laos—a neutralized Laos—goes Communist and South Vietnam follows the same path, all the rest of the rich southeast Asia may be lost to the free world.

These are subjects in which Red China is just as interested, perhaps more so, than is Soviet Russia. In talking with Mr. Khrushchev, did President Kennedy discuss the attitude and activities of Red China in that section of the world? As Mr. Kennedy has reported to the British Government on his talks with Mr. Khrushchev, a report which was awaited by Prime Minister Macmillan with keenest interest, Mr. Khrushchev may be expected to pass on to the Chinese his own impressions of his conference with Mr. Kennedy.

Any way it is regarded, the trip which President Kennedy has just concluded should be of value to him and to the United States. He has had an opportunity to see and confer with the chief protagonist of world communism and to size him up. He has had, too, an opportunity to discuss with President de Gaulle of France problems relating to the unity of free Europe and the United States in defense against Communist aggression. One thing seems vital—there will be no letting down of the guard at this juncture.

Also, Mr. Kennedy may have learned whether summit meetings are of value, or whether his original determination to remain in Washington is the better course for the future.

[From the Washington Post, June 6, 1961]

LIVING WITH DANGER

With apparently no indication from Mr. Khrushchev that he is willing to modify the Soviet position on any of the big issues in dispute between East and West, there could be some tendency toward fatalism following the talks at Vienna. That would be unfortunate. East-West relations are no worse than they were before the meeting, and in some respects they may be slightly improved by the mere fact that Mr. Kennedy and Mr. Khrushchev know more precisely what the other means.

On Berlin the two viewpoints seemingly remain far apart. No doubt both leaders were aware that the persons most immediately involved—the people of East and West Germany—were not directly represented. Mr. Kennedy appears to have given the impression that he is more concerned with continued free access to Berlin than with whether the Soviet Union signs a separate peace treaty with East Germany.

If this is an accurate impression there is some logic to the point. Nonrecognition of East Germany has been a moral lever of sorts for the West, but it has become increasingly ineffectual as the fact has become plain that there is no practical present possibility of German reunification. In any event, the West cannot prevent Mr. Khrushchev from signing a separate treaty. But it is very important for Mr. Khrushchev to understand that no such arrangement can abrogate Western rights, and that a war could easily start if his East German satellite should tamper in any way with the freedom of or access to Berlin.

More disheartening is the continued Soviet insistence on the troika—the three-man, veto-equipped inspectorate that Mr. Khrushchev prescribes for the nuclear test ban. This appears to doom the chances of agreement. Moreover, it indicates that the troika has become a part of Mr. Khrushchev's dogma. Some difficult decisions are ahead for the United States on whether to resume testing (it by no means follows that the West would gain more than the Soviet Union in a resumption). The West ought to be willing to talk, at any rate, as long as the Soviet Union wants to talk.

An independent and neutral government for Laos, it is said at the White House, is the only issue on which the two leaders were completely agreed. It would be well to take even this with a pinch of seasoning. We may hope that Mr. Khrushchev will help create the framework for an uncommitted but viable government in Laos, but the test will be in how to use his influence in the not very encouraging negotiations at Geneva.

What, then, are the points that tend to offset the gloom? The administration ought to be wary of peddling too optimistic a line; the mere fact that nothing emerged when nothing was expected hardly constitutes cause for great satisfaction. Nevertheless, there is some value in an effort to establish personal communication and examine policies in detail so that there will be less possibility of misunderstanding. In a sense the two competitors have attempted to define the rules, each remaining suspicious but undertaking to judge actions against stated intentions.

There will be some gain if the net result is to emphasize that the differences are both real and basic and that they cannot be bridged by wishful thinking. In the larger sense it will be well for all of us to learn that there are some issues that cannot be easily or neatly settled. Soviet policy has changed before in response to altered situations, and over a long period that may happen again. In the meantime, however, we shall have to live with our frustrations, competing in every aspect of existence with a leader and system whose purposes are inimical to ours, and still attempting to keep the differences from blowing up.

To the extent that President Kennedy's pilgrimage has reinforced the conviction that the challenge before the free world is a very long-term affair requiring patience and nerve as well as determination, it may indeed have been beneficial. Mr. Kennedy has performed well for his country, without either compromising its interests or selling short its hope of a just peace.

THE CONSTITUTION AND PUBLIC EDUCATION

Mr. TALMADGE. Mr. President, Attorney General Kennedy and the Department of Justice have taken the incredible position that the Constitution of the United States requires the 50 States to provide public education.

That, Mr. President, is a position which is as absurd as it is dangerous. It cannot be supported by either the language of the Constitution and the amendments thereto or by the express intent of their framers.

The methods of amending the Constitution are clearly set forth in its provisions. Judicial decrees and opinions and briefs of the Attorney General are not included among them.

The Washington Evening Star in its editorial of June 6 entitled "Federal 'Big Brother'" correctly assessed the alarming implications of this new attempt of the Attorney General to usurp for the National Government rights and powers which without question are reserved by the Constitution to the 50 sovereign States and their citizens.

I ask unanimous consent, Mr. President, that the text of this editorial be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FEDERAL BIG BROTHER

If the Department of Justice is right in its contention that the Constitution requires the States to provide public education, George Orwell's "Big Brother" may be coming to live with us after all.

Although this contention was put forward in response to a court inquiry, it is unlikely, we suppose, that there will be a final Supreme Court ruling sustaining the Department's view in this instance. For the Court, generally speaking, will not break new constitutional ground if the case before it can be decided on some other basis. And this particular case—involving a strictly local decision to close public schools in Louisiana's St. Helena Parish—lends itself to adjudication on other grounds. The mere fact that this novel constitutional claim has been put forward, however, may serve as a portent of things to come.

The gist of the Department's position, as explained by Attorney General Kennedy, is that education for all is an "absolute necessity," and that to deny this to a child is to deprive him of liberty and property under the due process clause of the 14th amendment. (When this amendment was ratified, a number of States did not maintain any kind of public school system.)

If this is a constitutionally sound position, what limit is there to the reach of the Federal authority? If the Federal Government is authorized by the Constitution to decree that education is a necessity, and that the Sates must provide it, it is a very short step indeed to assumption by the Federal Government of responsibility also to decree what must be taught, by whom it must be taught and how it must be taught. What about such other things as medical care, recreation, decent housing, etc? To a degree, at least, all of these are necessary, in the Attorney General's words, to equip individuals "to compete with citizens of other States in the struggle for professional and economic achievement." Does the Constitution require the States to provide all of these and other things, as well as education? Does the ultimate power to decide what is and what is not a necessity for the residents of the States reside in the Federal courts? If so, "Big Brother" has taken over in Washington—and much sooner than we anticipated.

REVIEW BY MRS. CLARE BOOTHE LUCE OF IMPORTANT EVENTS OF PRESIDENT KENNEDY'S FIRST 100 DAYS IN OFFICE

Mr. GOLDWATER. Mr. President, I should like to call the attention of the Senate to a detailed, well thought out letter from former Ambassador Clare Boothe Luce to the editor of the New York Herald Tribune, published June 6.

In this letter Mrs. Luce reviews what she considers to be the seven most important events of President Kennedy's first 100 days, and concludes, to quote, "The melancholy fact is that U.S. prestige has reached a new historic low."

I will briefly mention some of the seven events that Mrs. Luce feels have done very grave damage to the respect accorded our leadership around the world.

To quote Mrs. Luce:

The virtual loss of Laos to the Communists (which both Candidate Kennedy and later President Kennedy pledged his administration to prevent) has opened the door wide to the Communist conquest of all Indochina and weakened the morale of the anti-Red alliance in south Asia.

Mrs. Luce calls the collapse of the American-installed parliamentary government of South Korea a severe blow to supporters of democracy in Asia.

Concerning the opinion expressed by U.S. Ambassador to the United Nations, Adlai Stevenson, that Red China must soon be seated in the U.N. Mrs. Luce notes that—

Mr. Kennedy's silence on the subject seems to give consent.

This has disheartened all the Asiatic nations threatened by Red China.

She contends that—

The continuation of the deadlock in the disarmament and nuclear test ban negotiations, which Candidate Kennedy promised to break, fortifies many Europeans and Asians in the belief that the only choice now open to them is either appeasement of the U.S.S.R. or an atomic war.

Mrs. Luce's comment on Cuba is most thought provoking. Citing the "catastrophic political consequences" of the Cuban debacle, she states:

In no foreign policy question during the campaign, and even after his inauguration, did Mr. Kennedy commit himself more clearly than on that of securing Cuban freedom, overthrowing Castro and expelling Communist influence in South America.

Mr. President, I recommend a close reading of this article to all those interested in assessing our country's position today, particularly Mrs. Luce's study of the consequences of the Cuban affair, which takes up more than one-half of the letter.

Mrs. Luce concludes that—

The Cuban fiasco has been the greatest propaganda, political and strategic victory for Communist policies since the loss of China—

And charges that—

Under last-minute Presidential orders, the American elements withdrew their promised air support, and stood silently by while Castro's tanks and planes mowed down the Cuban freedom fighters.

These circumstances—

She says—

are interpreted by all pro-Americans, or anti-Communist political and military elements in the 20 countries of Latin America, to mean that while the United States of America is indeed willing to meddle in their behalf, when the chips are down and the blood begins to flow they must be prepared to go it alone.

Mr. President, I believe that the chips are down for the United States. I have cited from this letter at length because I believe it is imperative that we assess, no matter how uncomfortable it makes us, the position this country is in today, so that we may better guide her in the future.

Mr. President, I ask unanimous consent that this letter be printed in the body of the RECORD at this point of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, June 6, 1961]

LETTER FROM CLARE BOOTHE LUCE

JUNE 5, 1961.

The EDITOR: During his campaign for the Presidency, Mr. Kennedy made the question of U.S. prestige a major issue. Insisting that it was at an alltime low in the world, he promised, if elected, to raise it. Enough people believed in his ability to do so to elect him. And even those who would have preferred Mr. Nixon in the White House, with much self-restraint and inspired by good will, hope, and patriotism, forbore criticism during the first 100 days of his administration. But in view of the swift and somewhat terrifying pace of events abroad, surely there can be no objection to reviewing the question of U.S. prestige, which is no less important to Americans today than it was in November.

Admittedly, the restoration of our world prestige is not an easy matter. President Kennedy inherited a very sour world situation from Eisenhower (as Eisenhower did from Truman, Truman from Roosevelt, Roosevelt from Hoover, etc.). Moreover, the promise of a candidate to achieve any difficult goal carries with it the reasonable expectation that he will have 4 years to do so. The President still has 3½ years to go.

Meanwhile, the melancholy fact is that U.S. prestige has reached a new historic low. Seven events, transpiring in the 100 days since his inauguration, have done very grave damage to it.

1. The virtual loss of Laos to the Communists (which both Candidate Kennedy and later President Kennedy pledged his administration to prevent) has opened the door wide to the Communist conquest of all Indochina and weakened the morale of the anti-Red alliance in south Asia. And if Vietnam is not to be lost next, armed resistance there is imperative.

Recently President Garcia of the Philippines, calling on the United States to fight in Laos and South Vietnam before it is too late, said, "The question is whether to let the Russians overrun Asia or keep it in the democratic camp. If the answer is the former, then give up the fight and let the Communists gobble it up now."

2. The collapse of the American-installed parliamentary government of South Korea in a military coup is a second severe blow to supporters of democracy in Asia, where many people already believe that their only valid political choice today is between an

anti-Red dictatorship and a pro-Red dictatorship.

3. The opinion expressed by the head of the U.S. delegation to the United Nations, Mr. Adlai Stevenson, that Red China must soon be seated in the U.N. (to which Mr. Kennedy's silence on the subject seems to give consent), whether "inevitable" or not, has disheartened all the Asiatic nations threatened by that country, and dismayed our stanchest Far East ally—the free China on Taiwan.

4. The continuation of the deadlock in the disarmament and nuclear test ban negotiations, which Candidate Kennedy promised to break, fortifies many Europeans and Asians in the belief that the only choice now open to them is either appeasement of U.S.S.R. or atomic war. The choice that too many have already made is reflected in the phrase coined in Great Britain, "Better Red than dead."

5. The Soviet claim to have put the first man into outer space orbit has persuaded millions of people abroad (and many here) that Soviet science and technology, if not already superior to ours, will be so soon. The Russian cosmonaut story (topping their sputnik triumph) is a major propaganda victory for the Reds, especially in nonindustrial countries.

6. The outbreak of anti-Negro rioting in Alabama, requiring (as in Little Rock) the use of Federal troops to restore order, is regarded by nonwhite nations, especially in Africa, as renewed proof of the Russian contention that American democracy still believes that the "colored man" is a second class citizen and an inferior human being.

7. Above all, the failure of the Cuban invasion with its catastrophic political consequences has been a disastrous blow to American prestige. On no foreign policy question during the campaign, and even after his inauguration, did Mr. Kennedy commit himself more clearly than on that of securing Cuban freedom, overthrowing Castro and expelling Communist influence in South America. Today, openly allied with Soviet Russia and Red China, Castro is in complete control of Cuba.

Here are some of the gloomy political and military consequences of the debacle on the shores of the Bay of Pigs:

(a) Castro is better positioned than ever to use Cuban soil and Cuban facilities as a base for Communist military and political undertakings in Latin America. With the help of Moscow, he can place guided-missile sites in Cuba. In the all too likely event that the United States should find its hands full with a new Berlin or Far East crisis, Castro's Cuba would be a military dagger at our backs.

(b) Russian propaganda has tirelessly tagged the United States as an aggressor, interventionist nation and a congenital meddler in Latin American affairs. It can now tag us as something worse: an ineffective, timid, indecisive meddler.

It is no secret that the United States recruited, trained, planned, provisioned, and financed the Cuban invasion, and that two American destroyers and an aircraft carrier escorted the rebels to Cuban shores. But it is also no secret now that under last-minute Presidential orders, the American elements withdrew their promised airlift, and stood silently by while Castro's tanks and planes mowed down the Cuban freedom fighters.

These circumstances are interpreted by all pro-Americans, or anti-Communist political and military elements in the 20 countries of Latin America, to mean that while the United States is indeed willing to meddle in their behalf, when the chips are down and the blood begins to flow they must be prepared to "go it alone."

(c) Similarly in the Far East (Laos, Vietnam, Formosa) and wherever freemen are beleaguered by the Reds, this mournful news seems to spell "the handwriting on the wall." If the United States will not fight by the side of Cuban patriots against Khrushchev's Red protege, less than a hundred miles from its own coast, how (they ask themselves) can it be counted on to defend the freedom of peoples thousands of miles away?

(d) The world's foreign offices construe our last-minute abandonment of the rebels as the final scuttling of the Monroe Doctrine. Mrs. Roosevelt wrote in the June issue of McCall's: "The old Monroe Doctrine is really out of date now" and "there is absolutely no [military] action we as an individual nation can take" (against the incursion of Russian power in the South and Central American countries). The President's personal choice of Mrs. Roosevelt to head the committee to raise funds for Castro's tractor deal seems conclusive evidence to many that she speaks for him in this regard (not a heartening thought to the Cuban underground). This means to other nations that the United States today will not react, unless directly attacked, against the erection of more Communist dictatorships south of the Rio Grande. No sensible foreign statesman believes that we can secure joint action or military cooperation from all 20 nations of South America to overthrow Castro.

Where American power confesses itself impotent, American prestige inescapably suffers.

(e) The assassination of Dominican Dictator Trujillo, a long-expected event possibly precipitated by the political climate of Castro's triumph, is certain to have further serious political consequences. The President's policy of nonintervention anywhere in Latin America, announced a few days before the Cuban invasion, now makes it awkward if not impossible for the United States to intervene either against the erection of a new dictatorship of the right or a Communist revolution, should one succeed in San Domingo. It will be even more awkward for the United States to intervene if Castro launches an invasion against Trujillo's heirs in the name of the liberation of the Dominican masses. There is also every likelihood that any popular uprising engineered by the Communists in San Domingo would also spread to Haiti. If the United States then intervened, it would furnish Russia with a magnificent propaganda weapon—U.S. imperialist suppression of a free Negro republic.

(f) One of the less disastrous consequences of the triumph of Castro is the domestic disunity and controversy which the President's private espousal of Castro's blood blackmail has aroused. Those who feel we should go through with it for humanitarian reasons have been put at the throats of those who feel we should not for reasons of patriotism or ethical principle. I hold that the President's desire to swap $20 million worth of tractors with an avowed enemy is indeed an act of Christian charity, good propaganda, and a politically moral gesture, especially in view of the fact that his own decisions are responsible for the plight of the captives. It proves that the President's (and America's) heart is in the right place and Castro's heart is in the wrong place—propositions that scarcely need proving.

What needs proving just now—and it is a somewhat difficult assignment—is that the President's head is in the right place and Castro's is in the wrong place. Prudence and foresight before the event are the virtues of a statesman, and private compassion after the event will not make up for their lack. The fact that must be made plain to those who are in favor of the tractor deal is that neither swapping nor refusing to swap men for machines with the enemy is an adequate substitute for a sound, vigorous, positive United States-Cuban policy.

All told, as of this writing, the Cuban fiasco has been the greatest propaganda, political, and strategic victory for Communist policies since the loss of China. It is a disaster for which Mr. Kennedy has courageously shouldered the blame. I venture to predict he will not make another such error. Meanwhile, his prime task is to put an end to the calamitous political chain reactions set in motion at the "Bay of Pigs." This means he must soon devise a new and effective policy to free Cuba from Communist domination, not only as a necessary step to protect other Latin American countries from Castroism, but to protect our own shores against possibility of another Pearl Harbor, if Castro should still be in power and were to be militarily dispersed or engaged in struggle in other parts of the globe. In this, by no means easy but not impossible task, President Kennedy has the good will and prayers of all Americans.

CLARE BOOTHE LUCE.

ADDRESS BY LT. GEN. ARTHUR G. TRUDEAU

Mr. PROUTY. Mr. President, Lt. Gen. Arthur G. Trudeau, Chief of Research and Development of the Department of the Army, is a native of my State of whom all Vermonters are proud.

On Monday of this week he made a most enlightening speech dealing with research and development of new weapons systems. But, like the thoughtful man he is, he understands that weapons alone are not enough to realize the great possibilities of this country.

More backbone and less wishbone is needed to lift our horizon and rekindle the spirit and dynamism of our forefathers—

He declares in his speech.

This is a national task—and it depends upon industry, on labor, on government, and on the Armed Forces—but basically it is an individual task demanding the dedication of every loyal American.

General Trudeau concludes his speech with the famous words of Vermont's great Ethan Allen, which I find especially pertinent to our day:

I wish to God America would at this critical juncture exert herself—she might rise up on eagle wings and mount up to Glory, Freedom and Immortal Honor if she did but know her strength.

I believe that General Trudeau's address should be shared by all our citizens and I ask unanimous consent that it be inserted at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

RESEARCH AND DEVELOPMENT: FINDING AND FORGING

(Remarks by Lt. Gen. Arthur G. Trudeau, Chief of Research and Development, Department of the Army)

Mr. Fraser, distinguished guests, members of this apprenticeship conference, fellow Americans, it is a real pleasure to be here this evening for a number of reasons. Certainly the foremost is the privilege of addressing you—representatives from 18 States and the nearby provinces of Canada concerned with industries vital to the common defense of our two great nations. Another reason is the stimulating experience of returning to the soil of my native State—to sense once more the great potential that lies ahead for Vermont—for its industries and for its people, if we have the wisdom to develop it. And finally—it is always a pleasure to meet and greet old friends in this lovely town of Manchester.

Your presence at these sessions, seeking better ways to industrial progress, is proof to me of a growing interest in national affairs—both here and in Canada. This is the kind of interest that must be maximized throughout the length and breadth of our mighty lands—and the rest of the free world—to keep us alert and ready to cope with the many challenges that color the present and obscure the future.

America's need of the hour is for complete national support of our President as he calls for the building up of our economic and military strength, and for more dynamic and positive foreign policies. Above all, we need a national rededication to the virtues of faith and courage, and to meaningful resurgence of the deep, moral principles that once made our Nation so great and so strong.

Talk of liberty and freedom is common throughout this Republic, yet today there are too many indications that the bulk of Americans fail fully to realize how much is really at stake if we lose the present struggle and suffer the loss of these blessings that are still the hope of freemen everywhere. We seem to be so proud of our heritage that we oft become careless of our destiny. We will be stronger and better Americans when we rekindle in heart and mind the epic days and deeds of our gallant forebears and of our immortal great.

Let us remember that the principles for which they fought are freshly challenged every day. Those great principles must be fought for and won, again and again—through continuous, dedicated struggle.

Ralph Waldo Emerson—famous New England sage—once remarked that "a man's reach should exceed his grasp, else why are the heavens made?"

Today, America and Canada deserve to survive and prosper only to the extent that our leaders and people are willing to scale new heights—to seek new frontiers—and evidence their willingness to pay the price of freedom and liberty in the golden coin of patriotism, preparedness, and progress. The mint of this coin, and the key to our national future, are individual courage, self-discipline and sacrifice, and steadfast adherence to the great tenets of our Christian faith.

In this present world of surging crises—in this age of blinding speed and "hydrogenized diplomacy"—dedication to the patriotic advancement of American ideals and achievements, military preparedness, and economic progress is the first order of the day.

As we move ahead in the decade of the sixties, our world is torn by three revolutionary forces, demanding and dangerous in their implications.

The first—and foremost—is the insidious ideology of Sino-Soviet communism.

The second is the "social revolution of rising expectations" in the underdeveloped areas of the world, and

The third is the tremendous explosion in science and technology which dominates our life and our time.

If communism were a dead issue today, the rising tide of ethnic nationalism—which burst forth from the agonizing struggles of World War II and since—would alone present us with one of the greatest challenges of all time. This tide is creating truly significant problems in areas of Africa, Asia, and South America. In these areas the people—diseased, undernourished, illiterate, impoverished, living in a wheelbarrow and A-frame economy—call, and call loudly, for an improved standard of living.

The sound and solid key to economic growth, industrial progress, better health, and richer lives for these peoples is science and technology supported by the right kind, and the right number, of educated scientists, engineers, and teachers, supported in balance by all the artisans and others who contribute to a thriving economy.

Let's turn to science and technology—to that revolutionary phenomenon which is so drastically reshaping our world, bringing to today's generation and our children more changes and challenges than were faced by our forebears in any past period of history.

Modern science today is less than 500 years old and technology is perhaps half of that, but in the last century—2 percent of recorded time—mankind has achieved 90 percent of his technological progress. And the future is even more challenging. Of all the men who have been trained in science and technology throughout the world over the 5,000 years of recorded history—on both sides of the Iron Curtain—it is estimated that nine-tenths of them are alive today.

One cannot reflect upon these startling facts without considering their impact on our daily lives. In business and industry—in politics and the military—even in the most fundamental unit, the family—the daily routine has become firmly geared to scientific advances.

Not only will national security profit from this amazing age of science and technology, but so will our way of life and literally all mankind, if we have but the wisdom to employ its potential.

Certainly there are many complexities facing us. For instance, in terms of military preparedness, the U.S. Army faces the pressing problem of how to provide tomorrow's weapons and equipment in the face of mushrooming costs and rapid technological change.

Each day we are learning how to do something better—how to build weapons and equipment more potent and reliable than ever before.

Change follows so closely on the heels of change that some of our operational weapons are hardly off the production line before they are obsolescent. This has caused more misunderstanding and criticism of the Armed Forces than any other aspect of our peacetime programs. I can assure you that we minimize waste of time, effort, and money through the closest possible military-industry-science teamwork. Nevertheless, some degree of obsolescence is a constant in the preparedness equation.

A parallel problem with which we struggle is how to keep training in pace with new weapon developments and production techniques.

Although simplicity and reliability are prime considerations in our weapon development programs, there has been an increasing tendency since World War II to develop machine tools and equipment along more complex and sophisticated lines. This has led to increased cost, decreased reliability, and untenable maintenance problems for the using troops. The more complex the system, the more difficult for human action to adapt the device to the military environment.

My philosophy is that human factors engineering considerations must be taken into account from the very beginning of the concept-design-development cycle. Moreover, these man-machine compatibility considerations must be brought to bear on the problems of production and maintenance as well as operation.

I insist that human factors, scientists, engineers, and technicians make certain that the human subsystem is fully prepared to contribute effectively and maximally in all new weapons systems. Science must insure that man is the master of his weapons and machines and not their servant.

I want to emphasize that the U.S. Army is calling on scientific research techniques to solve effectively the very critical training problem of putting the right man in the right job—of utilizing our manpower to the best of the Army's ability.

Let me tell you about some of this interesting research.

The area I have selected pertains to electronics—a field that is advancing so rapidly these days that each new advance means a flood of changes in communications equipment, missile guidance systems, and other related fields.

Here, the Army faces a major problem in training electronics personnel to operate and maintain these new systems. We are turning to the Human Resources Research Office of the George Washington University—an agency better known to us as HumRRO—for realistic solutions to this problem.

HumRRO scientists have devised an easily learned set of skills and knowledges—which could be described in terms of "cues" presented by the equipment, such as lights, buzzers, meters, scopes—and "responses" by the individual operator or repairman in terms of turning wheels, adjusting knobs, or pushing buttons.

An interesting sidelight to this research is an improved field radio repairman course at the Army Signal School. This course focuses on recognition and correction of the most common troubles found in modern sophisticated radios—and is taught by a method which the HumRRO scientists call the functional context principle of instruction.

Let me briefly tell you about it. The functional context principle involves a presentation of electronics subjects in the sequence of concrete to abstract—the whole and then its parts—from the operational to the theoretical. This is a change from the normal classroom or training school approach. Usually, theory and fundamentals are presented largely out of context with their eventual use.

Through using this functional context principle, we have been able to reduce our training time materially and—even more important—we have been successful in training men who had fairly low aptitude to do this difficult type of repair work. Under the old system, men with aptitude scores of less than 110 were unable to qualify; under the new training technique, we can employ them productively.

You can see the importance of this in these days of ever-increasing competition for men with highest aptitude and the need to gage overall employment on the total cross section of our population.

For those of you who are interested, I have with me some literature concerning the "functional context principle" and will be happy to make it available at the conclusion of my remarks.

Now, let's look at some of the scientific wonders of today—products of military research and development—which are but the indices of what we may expect in the promising future. I speak of them not only because of their economic and military interests, but because of our attitude as Americans toward science and technology is an increasingly important factor in the fight of free men to withstand and overcome the growing incursions of Sino-Soviet communism.

Several Army research branches are working to solve difficult, immediate problems in the powerplant field. One of the most pressing needs of the decade ahead is for greatly increased energy sources. New fuels as well as new powerplants must be discovered and developed—and our processes for achieving more efficient use of existing fuels must be improved. Especially as we move further into the era of missiles, rockets, and space vehicles this demand for new fuels is ceaseless.

A substantial Army Research and Development effort to solve these problems now ranges from today's gas turbine to tomorrow's fuel cell—from the magnetohydrodynamic generator to the solar cell—and in a

future as awesome as it is near—nuclear plants for propulsion. Of these, the direct conversion of chemical energy to electrical energy through the use of fuel cells is the most promising for the seventies.

The potential of this work is exciting, both for military and civilian use. We may one day have batteries to which we add chemicals and generate enough electricity to drive motors and light whole buildings. The impetus for this research is military—because such fuel cells could free our armies from long, vulnerable supply lines and give our forces the battlefield mobility military planners predict will be needed in any future war—be it general or limited war. It is not only a saving on fuel that is important—fuel cells are simpler and need less maintenance—are noiseless—and give off very little heat or smoke.

Significant also is the fuel cell's potentially high efficiency compared with that of a gasoline motor—about 60 to 80 percent compared with 25 to 30 percent. This means more efficient utilization of fuel with substantial reduction in the logistical load.

Research efforts are also underway today to bridge the gap between materials and solid state physics. Rich dividends, here, will permit us to chain link large molecules so that materials—with properties we can hardly now imagine—can be created at our order. Instead of having to work with materials we have—we can have the materials we want. We can determine the ideal characteristics we need, then tailor them out of atoms and molecules as needed.

These and other materials research-sparked developments will redound to the benefits of our civilian industry and commerce as well as to the military, giving us greater utilization of energy, increased measures of reliability and more efficient space accommodations.

How many of us in these days of wondrous advances remain impressed by the fact that electronic parts have been reduced in size in the last few years by modular concepts so that now instead of 7,000 parts per cubic foot, we can put 350,000 parts in the same space. Now, even this figure can be increased by a factor of 10 in certain fuse applications, and using solid circuit techniques, or molecular electronics, even this is only a beginning. Just around the corner of tomorrow I predict we shall see a good wristwatch radio of the size of an afterdinner mint.

* * * * *

Our Signal Corps scientists have learned independently how to use very high pressures and temperatures to make industrial diamonds out of carbon. Through this research, the Army hopes to learn more about the physics and chemistry of large synthetic crystals, such as quartz and rubies, for use in electronics work.

The need is common to all the military services.

* * * * *

However you view the future, the shape of things to come will depend in large measure upon our progress in electronics. Computers today promise to revolutionize industry just as Watts' steam engine revolutionized the manufacturing methods of the last century. The day is just around the corner when the vast majority of the manufacturing processes of this and, subsequently, other nations will be controlled by automation.

I do not join with those who see automation as a permanent threat to jobs, unions, and prosperity, although adjustments certainly must be made. Rather, to me, the strict quality control and increased production which automation makes possible is the harbinger of a future more prosperous and productive than any period yet experienced in our remarkable history. If kitchen appliances were made by hand, very few of us here could afford them.

It is well to remember that progress is inevitable, absolutely essential to a nation's survival. History clearly points out that every advance in production and marketing has created more goods and services, and more and better jobs.

You will remember from your study of history how the appearance of the steam engine in England was accompanied by dire prophecies of mass unemployment, mass starvation, and mass degradation. Yet, the industrial revolution based on that development raised Western production and employment levels to undreamed of heights.

Automation and numerical control will do the same—it will be a giant step toward relieving more men of common chores and giving these routine tasks to machines. Man will be freed for the more remunerative, skilled tasks for which he is properly fitted. Remember, more than two-thirds of the people in this world have less than the poorest of our grandfathers.

Industrialized nations of the free world are aware today that it is to everybody's best interest to make this transition as rapidly as possible through the use of severance payments, relocation allowances, Government aid, and industrial retraining programs designed to help individuals acquire new skills.

Of course, I think it is most essential that action be taken, and this may involve legislation, providing for more rapid write-offs, in order to modernize our plants and our machine tooling. At best, our machine tools that antedate 1950 are obsolescent and, in most cases, they are really obsolete and inadequate to meet today's costs or tomorrow's production requirements.

Certainly, there is a vital need to improve our production base to meet current and emergency demands for complex, highly sophisticated equipment in quantity and to train artisans to operate it.

The degree to which industry meets these basic requirements is the yardstick that will measure the degree of effectiveness of our national program. Were it not for the critical situation our Nation faces—as well as the rest of the free world—production deficiencies could be calculated simply in terms of added costs and time delays to national progress. But it is the Communist threat and the demands from the underdeveloped nations that set the scene for the sixties—and beyond—and it is our business, our mutual concern, to see that the play ends in victory and not in tragedy for ourselves or free peoples worldwide.

Now, what I have sketched for you this evening should give you an indication that scientific research and technological applications bulk massively in shaping both our military posture and our national progress.

Each of us, here tonight, must perceive more clearly just how deadly is the danger that hangs over us. The trials and tribulations of each day must no longer obscure this fact. We must realize that eternal vigilance, readiness to sacrifice, and adequate preparedness are the price of peace and freedom. Theodore Roosevelt, that strong leader and great American, in accenting the need for adequate military strength and the determination to use it if necessary, said it far better this way:

"I would not pretend for a moment * * * that merely military proficiency * * * would by itself make this or any other nation great. First and foremost come the duties within the gates of our own household; first and foremost our duty is to strive to bring about a better administration of justice, cleaner, juster, more equitable methods in our political, business, and social life, the reign of law, the reign of that orderly liberty which was the first consideration in the minds of the founders of this Republic. * * * This Nation * * * will certainly fail if we do not thus keep ourselves prepared."

This is where a continuous catalytic action is required. More backbone and less wishbone is needed to lift our horizon and rekindle the spirit and dynamism of our forefathers. This is a national task—and it depends upon industry, on labor, on Government, and on the Armed Forces—but basically it is an individual task—demanding the dedication of every loyal American.

That courage, that selflessness, that determination to achieve great things still exists within our people, but first the fog of fear and the clouds of complacency that obscure the horizon must be swept away by the freshening breeze of an awakened America.

The great days of these United States and Canada need not lie shrouded in past glories. We have but seen the dawn of national achievement. Unlimited is our future if we have the courage to seek it. The days of the coming years burn bright with promise—for those who dare.

The kind of individual spirit, dedication, and courage that we must have today was clearly indicated many years ago by a great Vermonter in the earliest days of the Revolutionary War.

After the heroic efforts of Ethan Allen and his "Green Mountain boys" in the capture of Fort Ticonderoga, a timid Continental Congress fell to talking about giving the captured cannon back to the British. Whereupon, Ethan Allen wrote Congress, saying in part, what might well be our thought for tonight:

"I wish to God America would at this critical juncture exert herself * * * she might rise up on eagle wings and mount up to glory, freedom, and immortal honor if she did but know her strength."

I thank you very much.

NOW IS THE TIME FOR ELECTORAL REFORM

Mr. KEATING. Mr. President, after every national election, electoral reform is on the top of the editorial page. I believe it should stay there. It should not be quickly forgotten and set aside as one of those things that you just do not do because it is no longer of pressing importance—something like buying a snow shovel in July.

I strongly believe the Congress should do something, and do it now, to reform our outmoded electoral system. Although the relevant committees of the Senate recently have been holding hearings on various electoral reforms, there even now seems to be an unfortunate and inexplicable decline in the interest of the general public and Members of the Congress in this issue.

Mr. President, the very heart of a democracy is the right to vote. To constantly improve and expand this right in every way possible is as important as any other function of the Congress.

In the general category of needed electoral reform, there are a number of key areas in which I believe effective reforms are both possible and practical right now. They are: Standardizing residence requirements in presidential elections, eliminating the poll tax; shortening the length of campaigns; tightening up Federal laws on reporting campaign contributions; placing more realistic ceilings on these gifts; permitting a 50-percent tax credit for individual political contributions up to $10; adjusting the timing of elections and campaigns to permit more people to vote and to avoid having a long gap between the election and

inauguration of a new President, and, of course, action to deal with the outmoded electoral college system.

The editors of the Buffalo Evening News have for many years been actively, and may I add consistently, interested in electoral reforms. I commend them for their vigor. I am happy to call attention today to several editorials which have appeared in this newspaper and which relate to abolishing the electoral college.

The editorials which I have selected are among many which I have in my files on this subject from the Buffalo Evening News. I should like to insert three of them in the RECORD. I ask unanimous consent that they be printed at the end of my remarks. The first appeared in 1956, right after the electoral college convened and voted. The editorial notes that the sweetly simple idea of a direct popular vote is always considered momentarily, and then dropped like a hot potato. The editorial goes on to point out that one of the Alabama electors in the 1956 election, who was supposedly pledged to Adlai Stevenson, voted instead for a local judge, whose name and momentary acclaim are now forgotten.

The second appeared in December of 1960, right after the 1960 election. It argues against the several pending revisions of the electoral college and points out that under the so-called Mundt-Coudert amendment, former Vice President Nixon would have been elected President of the United States in 1960 although he did not have the largest popular vote.

The third editorial appeared on May 31 of 1961 and strongly supports the amendment to the Constitution abolishing the electoral college, introduced by the Senator from Montana [Mr MANSFIELD], of which I am a cosponsor.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Buffalo Evening News, Dec. 24, 1956]

DIRECT VOTE—WHY NOT?

With the electoral college having met, cast its votes and adjourned for another 4 years, this is as good a time as any to make our quadrennial appeal for the abolition of all this electoral nonsense, and the substitution of a direct popular vote for President and Vice President.

After every presidential election, the country goes through a brief period of shuddering over the dangers of a possible constitutional crisis caused by certain flaws in the electoral process, and of tinkering with the electoral apparatus to find some better way of foolproofing it against gross mismarriages of the public will.

The sweetly simple idea of a direct popular vote is always considered momentarily, and then dropped like a hot potato. What's wrong with it is what we want to know.

The usual answer is that the small States would never go for it. Since the only way any change could be made is by a constitutional amendment ratified by three-fourths of the States, this objection is supposed to be fatal. Our only answer is that the small States, if they looked at the thing realistically, might discover that they have as much reason to support a direct popular vote as anybody else.

The present system gives each State one electoral vote for each Senator and Representative. Result: Nevada, with about 1 resident for every 80 in New York, gets 3 electoral votes to 45 for New York—a ratio obviously favoring Nevada. But what good does it do Nevada? Being a small State, with little weight to throw in the national scales, Nevada is practically barred for all time from having one of its favorite sons considered for either party's presidential nomination, and in fact no national candidate is likely to make so much as a single campaign appearance there. So what has a small State got to lose by having its votes count the same as those in any other State? Under the present system, it is the large, so-called key States that dominate every presidential election, but in a direct popular vote, State lines would cease to matter.

Why make any change? Partly, it is because the present system puts a wholly distorted premium on appeals to balance-of-power minority blocs in the key States. But mostly because, in a close election, the existing system is open to a variety of unwholesome shenanigans and downright constitutional dangers, not the least of which is that the popular will could be thwarted by maneuvering in the electoral college, or in Congress.

Last week, for example, one Alabama elector pledged to Adlai Stevenson voted for a local judge instead. It didn't matter because the electoral vote was still 457 to 73 for Eisenhower. But if the electoral college had been split 266-to-267, and one elector exercised the constitutional privilege of exercising his own judgment, the whole election could have been thrown to the House of Representatives, where it might be decided by the crassest political maneuvers.

In a country such as ours, there is something almost mystically precious about respecting the mandate of the people. So far in this century, the winner of an electoral majority has always won the popular majority as well. Twice in the last century—1876 and 1888—this was not the case. When an election is so close that the majority of the people have voted one way, while the weight of the electoral vote is tipped the other way, we happen to think the country would be better served if the popular will prevailed. And we also know that the various gimmicks that have been proposed, as a constitutional compromise between the present system and a direct popular vote, have all turned out on examination to have flaws at least as bad as the system they purport to correct. The best way to correct our cumbersome presidential election system is the cleanest and simplest of all proposals: Just provide that the one who gets the most votes is the winner.

[From the Buffalo Evening News, Dec. 12, 1960]

ELECTORAL RECOUNT

While some uncertainty lingers as to exactly how the electoral votes will divide between Messrs. Nixon and Kennedy December 19, we have been intrigued by the what-if returns from a different kind of electoral vote count: How the election would have gone, if any of various proposals for electoral reform had been adopted a few years back.

According to one such scheme, known as the Lodge-Gossett amendment, each State's electoral votes would have been divided in exact proportion to the popular vote in that State—down to the third decimal point. Under this plan (named partly for Henry Cabot Lodge when he was in the Senate), this year's vote at latest recount would have given Kennedy an electoral plurality of less than 4 (268.871 to 265.036) over Nixon.

Under another plan—the so-called Mundt-Coudert amendment, which would give each congressional district 1 electoral vote and each State 2 at large—Nixon would actually have ended up winner, 282 electoral votes to 250. But, since Nixon did not quite win a popular majority, any electoral-college revision that would make him the actual winner would obviously be worse—in terms of confusing or confounding the popular verdict—than the system we have now.

One main argument for any change, after all, is that the popular winner now can be an electoral loser. And this, in our opinion, is very hard to defend as a method for filling the one office which represents all the people. That is why the one real electoral reform that makes sense to us is to abolish the electoral college and pick a presidential winner by straight nationwide popular vote.

To those who say this would weaken our Federal system, we can only reply that State-by-State elections would continue for every other office, State and Federal; and that the Federal approach to the Presidency (i.e., conducting a series of separate presidential elections in each State instead of one national election) doesn't mean much now in the States where the outcome is taken for granted. Under a popular-vote plan, each vote cast in one party Alabama would weigh the same as cast in 50–50 Illinois so every American would feel himself an equal participant in the national referendum.

This, to us, is how a President should be chosen—but every electoral reform we have seen which stops short of a direct popular vote has flaws at least as serious as the plan we have. So let's leave the electoral college alone until it can be abolished outright.

[From the Buffalo Evening News, May 31, 1961]

ELECTORAL REFORM

Congress, as it does after every Presidential election, is giving a critical once-over to the anachronistic electoral-college method of choosing Presidents, and to a dozen or more different proposals for revising the system. But most of the proposed constitutional amendments look at the problem through the wrong end of the telescope.

In this case, we are convinced, all the gimmicky, compromise formulas for avoiding the obvious solution would simply make matters, if not worse, at least no better. The obvious reform, and to our mind the only one worth taking seriously, is to abolish not only the electoral college, which everybody agrees is useless, but to abolish outright the whole system of assigning electoral votes to States and substitute a direct nationwide popular vote for President and Vice President.

This is the reform advocated in the present Congress by Senate Majority Leader MANSFIELD, Democrat, of Montana, and we were glad to note that his proposed constitutional amendment has been cosponsored by our own Senator KEATING. These two, and many others who have come gradually to support their view, have studied all the other proposals for splitting each State's electoral votes or otherwise tinkering with the system. And they have come to see that every such tinkering simply creates a new inequity or problem for each one it seeks to cure under the present system. So there is no point in tinkering at all until we are ready to make our President what most people falsely assume he is now: The choice of the people, directly elected by nationwide ballot in which each citizen's vote counts just as much as any other's.

So long as each State gets its traditional representation in the two Houses of Congress, why shouldn't a vote cast for President in Buffalo, N.Y., count as much as one cast in Buffalo, Wyo.? Or, putting it in reverse, why shouldn't an outstanding statesman who happens to reside in Buffalo, Wyo., have as good a chance to run for President as one who comes from Buffalo, N.Y.? As matters stand now, presidential availability is virtually limited to residents of the closely divided two-party States.

It used to be thought that the present electoral-vote system gives undue weight to the small States—and therefore it would never be possible to sell them on the idea of changing to a direct popular vote. But gradually, the point is dawning on the leaders of both great and small States that the advantages and disadvantages cancel out—and that, on balance, no other plan would be so fair, across the board, as one vote for everybody. Thus, the symbolic significance of having this year's proposal for a nationwide direct popular vote sponsored by a Montana Democrat and a New York Republican. By their cosponsorship, Senators MANSFIELD and KEATING are saying—and they are right—that their plan does not seek advantage for either Republicans or Democrats, or big States or small ones. It is an electoral reform in the national interest.

HOUSING ACT OF 1961

Mr. LAUSCHE. Mr. President, I submit an amendment to S. 1922 and ask to have it printed and lie on the desk. The amendment would, on page 45 of the bill, beginning with the word "provided" in line 8, strike the language down to and through the word "prescribe" in line 21.

The language which would be stricken provides for the establishment of a new subsidy, and the subsidy deals with efforts to solve mass transportation problems. I favor whatever provisions are contained in the bill dealing with loans, but I am against the initiation of a new subsidy in mass transportation, because this will merely be the beginning. It will snowball and pyramid into huge proportions in the future.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the desk.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Finance and the Committee on Aeronautical and Space Sciences be permitted to sit during the session of the Senate today.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. DIRKSEN. Mr. President, we are confronted with quite a number of yea-and-nay votes this afternoon. I know it is the expectation of the distinguished majority leader to finish consideration of the Department of Interior appropriation bill and then to return to consideration of the housing bill. There are holdover yea-and-nay votes ordered. Under the circumstances, I think Senators ought to be in the Chamber. For that reason I feel compelled to object.

The PRESIDING OFFICER. Objection is heard.

PROPOSED POSTAL RATE INCREASE

Mr. MANSFIELD. Mr. President, today or tomorrow the Post Office and Civil Service Committee of the House of Representatives will conclude its hearings on the administration's proposed postal rate increase legislation.

The President in his most recent address to the Congress made it abundantly clear that this measure is an integral part of the administration's program. Urgent fiscal necessity prompts me to bring this proposed legislation to the attention of the Senate.

The gap between income from the users of the mail and the costs of the postal service imposes a financial burden which ought to be drastically cut and, ideally, completely eliminated.

The President has emphasized the urgency of bringing postal revenue more realistically in line with postal expenditures. This can be done only through reasonable increases in our postal rates coupled with increased efforts to cut costs. I am satisfied the new postal administration is making great strides in this direction.

The enormity of the impact of the postal rate legislation was vividly accented by the President when he pointed out that the postal deficit exceeds the cost of all the space and defense measures which were submitted in the President's recent message to the Congress.

Such serious and overwhelming considerations prompt me to pledge every effort to full, immediate, and exhaustive attention by the Senate to the postal rate legislation as soon as House action is completed.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of postal rate proposals.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF RATE PROPOSALS

FIRST-CLASS MAIL

A 1-cent increase is scheduled for first-class mail: the rate for letters would rise from 4 cents per ounce to 5 cents and for post cards from 3 cents to 4 cents. This would yield about $409 million. Airmail postage would be raised correspondingly: from 7 cents per ounce to 8 cents for letters, and from 5 cents to 6 cents for cards.

SECOND-CLASS RATES

Second class is the mail service for magazines and newspapers. Postal revenues from second-class mail now cover about 23 percent of fully allocated costs. Under the rate program outlined, postage revenues from second class would be increased $78 million in fiscal 1962. This would amount to an increase of 79 percent.

THIRD-CLASS RATES

Third-class mail consists largely of advertising circulars mailed at bulk rates. It also includes fairly sizable quantities of catalogs and small parcels.

A 1-cent increase to 3½ cents is scheduled for the minimum rate for bulk mail. This increase would affect most of the pieces moving as third-class mail. If enacted, this change, together with other adjustments proposed for third class, would raise $212 million of new revenue.

OTHER CHANGES

Additional revenues will be raised primarily from higher rates for Government mail and for fourth-class educational materials.

Enactment of the entire schedule of legislative rate changes would produce $741 million of added annual postal revenues.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. I join the Senator from Montana in giving support to the proposal made by the President in regard to putting the operation of the Post Office Department on a self-sustaining basis. I think it would be a serious mistake if the Senate did not act upon this recommendation. It is a recommendation which was made by President Eisenhower. It is now made by President Kennedy. Every reason calls for the adoption of a program which will put this Department on a self-sustaining basis, which will thus release moneys the taxpayers now have to put into the Department so that they can be used in other avenues which are vital to our country; for example, national defense.

Mr. DIRKSEN. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. I concur in the sentiment expressed by the majority leader. The postal deficit is now approaching $900 million a year. If sufficient revenues are not obtained, there will be a further increase in the projected deficit which, as I indicated yesterday, is now, under the May 25 revision, foreseen to run at a little more than $3½ billion a year.

For a number of years I have carried the flag in this Chamber for an increase in postal revenues. On one occasion I tried to hitch an increase to the pay increase bill. Somehow we never did succeed. So I assure the majority leader that I regard the proposed increase as a most important item, and I wish him well in securing favorable action by the Committee on Post Office and Civil Service, so that the proposal for an increase can be brought to the Senate without undue delay.

Mr. MANSFIELD. I thank the distinguished minority leader.

Mrs. NEUBERGER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Oregon.

Mrs. NEUBERGER. I am very much interested in the present discussion because I am a cosponsor of a measure to bring about the proposed increase. At the time the proposal came to the Senate from the Post Office Department I was told that there was great difficulty in finding any signatures for it. So the present expression of support pleases me greatly, and I believe the sponsor of the bill, the distinguished Senator from New Jersey [Mr. WILLIAMS] will be very much interested in having the support of the Senator from Montana [Mr. MANSFIELD] and the Senator from Illinois [Mr. DIRKSEN].

Mr. MANSFIELD. I thank the Senator from Oregon.

WIRETAPPING

Mr. DODD. Mr. President, the Constitutional Rights Subcommittee of the Judiciary Committee, under the able chairmanship of the distinguished senior Senator from North Carolina [Mr.

ERVIN] has been conducting important hearings on legislation which would clear up the chaotic condition that now exists with respect to wiretapping. I have introduced legislation which would outlaw all private wiretapping and legitimize some wiretapping by Federal and State police officials, subject to stringent limitations as to the type of crime involved and the procedures which must be observed before wiretapping is permitted. I ask unanimous consent that there be printed at this point in the RECORD a statement which I presented to the Constitutional Rights Subcommittee on behalf of S. 1495, the bill which I have introduced.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THOMAS J. DODD, PRESENTED TO CONSTITUTIONAL RIGHTS SUBCOMMITTEE, CONCERNING S. 1495, WIRETAPPING LEGISLATION

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to submit a statement on behalf of S. 1495, the bill on wiretapping introduced by me in the Senate.

Initially, I should like to outline the philosophy behind S. 1495. In essence, it is an attempt to balance the right of privacy of the individual against the need of society to protect itself from serious criminal activity.

S. 1495 seeks this balance by permitting law enforcement officers to wiretap only for certain specified serious crimes and by declaring all other wiretapping unlawful and punishable as a felony. And even where authorized, wiretapping is subject to strict controls and reporting requirements, which are designed to deter abuses.

I note that several witnesses who appeared before this subcommittee charged that S. 1495 casts too wide a net by permitting wiretapping for too many crimes. But let us look at the list. It comprises the national security crimes set forth in title 18 of the United States Code, murder, kidnaping, extortion, bribery, racketeering, gambling, and violations of the narcotics laws. I am sure we can all agree that the national security crimes, murder, kidnaping, and narcotics violations are heinous offenses, and I think their listing needs no explanation.

As for the other crimes on the list, I believe all are justifiable for inclusion—extortion because it so often involves violence or the threat of violence; bribery, because it so often involves public office or a quasi-public trust; and gambling, because, as the report of a New York State investigating commission has recently shown, it is at the heart of what has come to be popularly known as syndicated crime. For the last reason I have also included racketeering. In so doing, I was fully aware that the term would be susceptible of varying interpretations under the laws of the various States. Hence I confined it to Federal crimes, and you will find that the term "racketeering" as it is used in S. 1495 is in fact a very limited one. The chapter in the Crimnial Code entitled "Racketeering" has but a single section.

I also point out another limitation on S. 1495's concept of serious crimes—that within and described categories of crime, wiretapping would be permitted only for felonies (using the Federal law definition of a felony as a crime punishable by imprisonment for more than 1 year). In no case would wiretapping be permitted for a misdemeanor.

Some critics have argued against S. 1495 on the premise that all wiretapping is an unwarranted invasion of privacy. Although the Olmstead case has long since established that wiretapping is not an unconstitutional search and seizure under the fourth amendment, I think the continuing concern of these critics with the constitutional issue has tended to obscure the extensive controls which S. 1495 establishes over wiretapping: It requires all wiretapping to be authorized by court order, except for very limited authority granted the Attorney General of the United States; it prescribes the minimum contents of an application for a court order permitting wiretapping; it prescribes strict standards under which an order is to be reviewed by the courts; it prescribes the minimum contents of any order that may be granted; and it limits all orders to a duration of 60 days, subject to one 30-day extension.

As for the authority, S. 1495 would lodge directly in the Attorney General, I point out that he must act personally, and cannot act through a delegee; and that he must act under promulgated rules and regulations, which will be open to scrutiny by the Congress and by the public.

It has also been argued by some that the courts will be extremely lax in complying with any controls, but especially with the standards for review.

My reply is that the legislative branch of government must, in the nature of our system, leave it to the appellate courts to correct the judicial errors of the lower courts and to insure that the standards which legislation prescribes for court action actually govern the courts.

I do not feel it is a fair criticism of any bill that sets forth the standards under which a court shall review applications for wiretapping orders to say that the courts will not respect those standards.

A variant of this last argument is that, laxity aside, judges will differ in their interpretation of the standards for review, and that the result will be a so-called shopping around by law enforcement officers seeking wiretapping orders.

I think this argument is inapposite in a society of laws such as ours. I grant that in the nature of things the standards of review must be couched in somewhat general language, leaving some room for interpretation. But again we must leave it to the appellate courts to define the precise limits of these standards. In any event, the problem is not peculiar to wiretapping orders, but applies as well to traditional ex parte orders such as search warrants. I am personally confident that judicial experience with the standards of S. 1495 will breed a fair application of them.

It should not be forgotten that S. 1495 has detailed reporting requirements, under which the Congress would be furnished with a report on the number of wiretapping orders sought from, and denied or granted by, the courts each year, detailing the agency or law enforcement authority applying, the court to which application is made, the geographical location of the intended wiretapping, the category of crime for which the order is sought, and whatever additional information may be requested. In my view such reporting requirements can be a highly effective instrument of control.

First, the information they reveal will permit the Congress to determine on the basis of actual experience whether changes in a wiretapping law are necessary, and, if so, to what extent.

Second, the knowledge that applications and orders must be reported will of itself tend to deter abuses of the limited wiretapping authority available under S. 1495.

I was very pleased in reading the statement of the Assistant Attorney General, Criminal Division, Mr. Herbert J. Miller, Jr., representing the Department of Justice before this subcommittee, to learn that with one major exception the Department favors the general tenor of S. 1495. The major exception, of course, is that unlike S. 1495, the Department of Justice favors leaving State wiretapping laws entirely to the States.

I personally feel that such wholesale abdication is improper and that any Federal legislation on wiretapping must prescribe as a matter of Federal law the minimum standards to which all State wiretapping laws must adhere. I say this because the telephone is today a most vital form of communication between individuals residing in different States; we need no statistics to establish this.

In my view the heavy interstate character of telephone communication makes it not only constitutionally permissible, but as a matter of policy essentially wise, that Federal law set the pattern for State wiretapping laws. If my basic philosophy is sound, as I feel it is, the question then arises as to what minimum standards Federal law should impose on State wiretapping laws.

S. 1495 would prescribe four limitations on the States:

First, that a State may permit wiretapping only for the felonies of murder, kidnaping, extortion, bribery, and gambling and for felonious violations of State narcotics laws.

Second, within these categories only a State court may authorize wiretapping.

Third, that the controls over Federal law enforcement officers and the Federal courts with regard to the minimum contents of an application for a wiretapping order, the standards for court review of the application, and the minimum contents of any resulting order shall apply equally to State officers and courts.

Fourth, that the State courts must report all wiretapping applications and orders to the Administrative Office of the U.S. courts, the collecting office under S. 1495 for such information.

I had initially intended a fifth standard limiting the State law enforcement officers who may authorize application, or themselves apply, for a wiretapping order, but this was abandoned because of the practical difficulty of writing a precise standard that would at the same time reflect the differences among the 50 States in their law enforcement systems.

I need hardly add that beyond the four limitations I have outlined State law may impose even more stringent limitations, or may ban wiretapping altogether. But I believe that these four limitations, or variants of them, are essential if the Congress is to discharge its constitutional duty of regulating commerce among the several States.

I have never regarded S. 1495 as the final answer in the field of wiretapping to the serious problem of achieving a balance between the right of the individual to privacy and the need of society to protect itself against serious criminal activity.

I am sure that no single draftsman of a bill such as S. 1495 can evaluate all the facets of this problem.

And so, Mr. Chairman and members of the subcommittee, I believe that these hearings have been of the greatest value. I have read much of the testimony and have benefited from it, even when I have disagreed. And while I am more than ever confirmed in my view that the approach of S. 1495 is the wisest course for any Federal wiretapping legislation, I must credit the previous testimony for having suggested to me areas in which S. 1495 might be refined. The following are the most notable areas:

1. Page 6, line 12 and page 8, lines 13–14. I initially suggest that the term "probable cause for belief" be substituted for the term "reasonable ground for belief" in sections 4(a) and 4(d). This change would conform the standards under which the Attorney General and the courts would review applications for wiretapping authorization more

nearly with those of the traditional search warrant.

2. Page 7, lines 10–13: I am of the view that the list of Federal crimes for which section 4(b)(2) would permit wiretapping is sufficiently explicit when carefully read against the United States Code. However, to meet the fear of some critics that the list may be extended by judicial interpretation, I suggest that the Federal crimes for which wiretapping may be permitted by section 4(b)(2) be listed by title and chapter or section in the Code.

3. Page 8, line 2: In order to prevent any inference that crimes tangential to those listed by section 4(c) are included within the scope of that subsection, I suggest that the words "which involves" be deleted and a word or words not open to this inference be substituted therefor.

4. Page 11, lines 13–17: I suggest that section 5(b) be revised to limit the divulgence of the contents of a tapped communication under that subsection to divulgence in a criminal action for the offense for which the wiretapping had been authorized.

I am certain that the subcommittee will give these refinements, and in fact the entire concept of limited, controlled wiretapping, the most careful consideration.

NATURAL GAS FOR THE PEOPLE OF BARROW, AMERICA'S NORTHERNMOST OUTPOST: AN ESKIMO SPEAKS OUT ON "NEEDLESS MISERY"

Mr. GRUENING. Mr. President, yesterday my able colleague from Alaska [Mr. BARTLETT] introduced a bill, S. 2020, of which I am a cosponsor, which would enable the Department of the Navy to sell natural gas from gas fields in Naval Petroleum Reserve No. 4, located in northern Alaska, to native citizens of the area. This measure is desperately needed to remedy an inexcusable situation in which there are numerous citizens of Alaska suffering seriously from lack of adequate heat in their living quarters although practically living on top of a rich reserve of natural gas which could provide relief for their plight.

More than a year ago I received a letter from Mr. Jonah Bilo, long a resident of Alaska's Arctic, describing the suffering of people who are unable to obtain heat for their homes in a way which, I believe, is more convincing than anything I could add.

I ask unanimous consent that Mr. Bilo's letter be printed in the RECORD at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FAIRBANKS, ALASKA, *January 7, 1960.*

Hon. Senator GRUENING,
U.S. Senator from Alaska, Senate Office Building, Washington, D.C.

HONORABLE SIR: I am writing to you to plead for your help to get natural gas for people at Barrow. I know you are doing all you can, and we, the people who know what a cold house means, appreciate it. At Barrow, the cost of fuel is secondary. The need for gas is urgently needed as I will attempt to point out why. I'll attempt to point out why I'll have to call the existing regulations the "regulations for misery" to the citizens of the United States.

Perhaps, sir, if I use the first person, as an example, you will understand why I choose to call the existing regulation which bans the use of natural gas to the citizens of Barrow, a regulation for misery. Here is what happens when there is no fuel to burn in a house, as I lived it. It is typical of any house at Barrow.

I am an Eskimo, born at Point Hope in the year 1925. In those days the arctic fox commanded a good price, something like $300 for a single pelt. So, dad took the family to the northeastern coast of Alaska, where foxes are numerous and trappers fewer. And, our source of fuel was driftwood washed in along the Arctic coast during the summer months, which was soon depleted as there were other trappers along the coast. So, dad took us on to Barrow in hopes of spending an easier winter. It was easier than what it might have been, had we spent it elsewhere.

It was at that time that I was beginning to get conscious of the world around me. We were living in a frame house, which did not have insulation, as insulation was unknown at that time. There were four of us kids and, of course, dad, as mom passed away a summer before. It seems to me I've never spent a colder winter. I remember my oldest sister, having to stay home from school, while Dad was out hunting or combing the beaches for wood, taking care of us. If dad was lucky enough to bag a seal, my sister kept the fire in the stove going by burning seal blubber and a piece of sod, sod to give sustenance to seal oil so the fire wouldn't go out when the seal oil burnt out. If there was no seal as happened often, she'd keep the stove going to get some heat. But, it didn't give much heat at 40 below in an uninsulated house. So she'd take her parka, warming us in turn, and in the meantime warming our hands by holding them in hers, when hers got too cold, she'd warm them by breathing and blowing on them, a trick we younger ones soon picked up. And, such was life in those days, and we survived.

After a hitch in the Army, I went back to Barrow to work for Arctic contractors, who were doing oil exploration work for the Navy. There was a lot of improvement in living conditions. The houses had insulation; there were oil stoves and coal stoves, but the heck of it is, the stove oil seldom lasts until January. And, the coal miner doesn't start freighting his coal until December. He has to haul it in by "cats," most of the time in almost impossible elements. The temperature would be around 40 below with blowing snow or blizzard so bad you can't see 20 feet in any direction. Often his equipment breaks down and he has to walk miles in cold weather to the village in order to send for parts from Fairbanks. And, he has to wait in frustration, while his parts are being flown in from Fairbanks. He knows there are cold houses at the village, not due to lack of money. He knows well what cold houses mean. He has kids of his own.

I cannot put into words how it feels to hear a child cry and see her shiver uncontrollably in a house. Up there, it is common to be awakened by a child crying because her hands are cold, so cold that it actually makes you jump just to touch them. Only those of us, whose houses have been so cold, can begin to fathom how much throbbing and pain in fingertips can result when the hands are beginning to get warm again. And, a child cannot understand why her hands are hurting so. All she can do is cry, and look at you with tearful eyes, pleading eyes, as only a helpless child can. I cannot help but get emotionally upset to see an innocent child's eyes looking at me so tearful and so very pitiful, because they are cold.

So, sir, you can see why I choose to call the existing regulations which ban the people from using their own natural resources "the regulations of misery." And, I am sure that every American citizen will feel the same way, once they know the real story behind the word "cold."

When I was a kid, the cold was a necessary misery. It was something we dreaded, but learned to take as soon as we learned our parents did their best. But, today, with so much fuel on hand, I or anybody can't begin to understand why the people at Barrow have to suffer such misery, both physically and emotionally, especially when rules are made by people who try to alleviate human suffering.

I remain very respectful servant.

JONAH BILO.

THE RED MEIN KAMPF

Mr. GOLDWATER. Mr. President, I invite attention to a timely article entitled "The Red Mein Kampf," which appeared in the Washington Post and Times Herald on June 7, 1961. It is a keen analysis of the international Communist conspiracy and how to meet it most effectively today. It is presented in paid space as a public service by International Latex Corp.

History teaches that man always pays a great price for human liberty and that a true democracy is safeguarded only in proportion to the ceaseless vigilance and interest of its citizens.

By this measure, Mr. A. N. Spanel, founder of the corporation and author of the article, has shown himself to be not only an exemplary citizen of this country but also of the whole free world. It is equally heartening to see a company concerning itself at such great cost and for so long, in the public interest. They deserve much more than praise.

I, therefore, ask unanimous consent that the editorial by Mr. A. N. Spanel which appeared in the Washington Post and Times Herald on June 7, 1961, be printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE RED MEIN KAMPF

(By A. N. Spanel)

The show in Vienna is over. Now let's hope that no one turns it into another spirit.

We have paid too high a price for these intoxicating "spirits"—the spirit of Yalta, of Geneva, of Camp David. Each has caused us to see pink elephants of relaxed tensions, and other mirages in the desert of our confusions. And each time the Kremlin, stone sober and intent on its mischievous business as usual, has made the most of our hangovers of wishful hoping, thereby gaining more power and more empire.

So it's about time we swore off the stuff and confronted the grim realities. Regardless of what transpired in the personal dialogues between President Kennedy and Premier Khrushchev, "the war called peace" will go on until the terrible consequences are fully understood and there is a final return to sanity.

In the aftermath of the Vienna venture in summitry, it is all-important to remember that the fundamentals of the historic conflict between the two worlds cannot be altered by words or slogans or social amenities. The Kremlin's changes of tactics—its swings between smiling diplomacy and desk-thumping rage—must not again blind us to the inflexible objectives of world communism.

Those objectives have remained fixed, whether their chief spokesman was a Lenin, a Stalin or an exuberant Khrushchev. They

have been spelled out in all the basic Communist documents from 1917 to date. They add up to a total commitment to the conquest and burial of the freedom, the morality, the human dignity and the spiritual values by which the Western World lives.

This, in essence, was the point made brilliantly by one of our ablest journalists, Mr. Roscoe Drummond, in a recent column in the Washington Post when he wrote:

"The place to examine Soviet objectives is not in the face of Nikita Khrushchev but the face of Communist dogma and practice. These objectives have not changed an iota from Lenin to Stalin to Khrushchev, and are expounded in the Moscow manifesto of December 1960, as openly as Hitler's plans in 'Mein Kampf.' Signed by the representatives of 81 Communist Parties, it represents the declared purposes of the Soviet Union and Red China."

The manifesto makes it clear—that wars of national liberation—as in Laos and Vietnam—are sacred wars, justifiable and desirable, never to be considered ended until they have brought Communist regimes.

That any non-Communist regime is automatically illegitimate and therefore fair prey to Communist attack of all kinds.

That peaceful coexistence means that the West must not join in defending any country against Communist attack and must not help any country which has temporarily lost its independence to Communist attack.

When, for tactical reasons, Mr. Khrushchev's words and music may vary from the Moscow manifesto, the only safe course is to remember the Moscow manifesto, no matter how jovial Mr. K. seems at the moment.

Mr. Drummond then went on to express his certainty that Khrushchev will be unimpressed and uninfluenced by what our President says, because the Soviets respect only power and the will to use it. If Mr. Kennedy wants to leave no doubts as to American determination to resist Communist expansion, "the only way to make it clear to the Soviet Premier is not by strong words but by demonstrating the power and the will to resist."

Though Mr. Drummond was writing shortly before the Vienna confrontation, nothing happened there to open his warning to question. On the contrary, it has been confirmed and fortified.

The meaningful elements in the fateful historic equation are power, intelligence, determination, and courage. But even if we have these, they will not suffice unless they rest on a solid foundation of free-world unity. As long as the Western alliance is disoriented and enfeebled by conflicting purposes, the Kremlin will continue to have the right of way in carrying out its grand design for world conquest.

In the perspective of time, indeed, the President's meetings with General de Gaulle before, and with Prime Minister Macmillan after, the exchange of views with Khrushchev are sure to prove much more significant than the Vienna episode.

We are persuaded that first priority, if we are to gain the initiative in the conflict with communism, must become the achievement of true unity in our own badly splintered world. On May 5, 1957, we wrote in these columns:

"We hold in our hands a greater deterrent against the Kremlin menace than the hydrogen bomb and missiles of global range. Its name is 'Unity,' free-world unity of purpose, geared to a renewed confidence in Western civilization."

The need for that all-important deterrent is more urgent than ever before. Serious divisions within the coalition of free nations, more than anything else, embolden the Kremlin to drive more confidently and more recklessly toward its goals of world dominion.

All this is explicit in the Moscow equivalents of Hitler's "Mein Kampf." As long as we gear our emotions and our policies to Moscow's temporary tactics and slogans, we are condemned to remain victims of deception and self-deception. Red leaders from Lenin to Khrushchev and Mao Tse-tung have spoken bluntly about their main advantage, namely the "contradictions in the camp of the imperialists." It is within our power to cancel out those contradictions and confront the monolithic enemy with a voluntary but resolute unity of our own.

Our way of life, yes, survival and growth of the whole world depends on it.

UNIFORM FEDERAL TIMBER MANAGEMENT PRACTICES

Mrs. NEUBERGER. Mr. President, in 1955 and 1956, the Senate Interior and Insular Affairs Committee under the chairmanship of the late Senator James E. Murray, of Montana, conducted extensive hearings on Federal timber sales policies. The people of Oregon had considerable interest in the hearings because we had three Federal agencies managing timberland in our State and their policies and activities were not well coordinated.

The hearings resulted in a thorough review of means for improving forest management within the extensive holdings of the Federal Government. As I recall, some 60 recommendations were made and they covered all aspects of forest policy and program. Therefore, it was with interest that I noticed that on May 31 Secretary of Agriculture Freeman and Secretary of the Interior Udall announced adoption of a course to bring their timber sale practices into closer uniformity. I ask unanimous consent that the Departments' release be printed at this point in my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

UNIFORM TIMBER MANAGEMENT PRACTICES ADOPTED

(Joint release by Department of Agriculture and Department of the Interior)

Secretary of Agriculture Orville L. Freeman and Secretary of the Interior Stewart L. Udall today announced adoption of a study and recommendations made by the two Departments to bring timber sale practices by the two agencies into closer uniformity.

The two Secretaries noted that 13 specific recommendations are being adopted. The changes apply to timber management in western Oregon by the Forest Service in the Department of Agriculture and the Bureau of Land Management in the Department of the Interior. Several of the recommendations are of wider geographic application. Four of these also apply to certain practices by Interior's Bureau of Indian Affairs on Indian timberlands in the Pacific Northwest.

Both Secretaries noted that the steps being taken to reconcile and standardize timber sale and management practices within the two Departments were in keeping with President Kennedy's special message to the Congress on natural resources in which he stressed the necessity for bringing together "widely scattered resource policies of the Federal Government." Adoption of the study and recommendations follows a special study by the two Departments.

Among the study recommendations being adopted are orders to the agencies involved to standardize management plan inventory procedures, reconcile differences in determining allowable timber cut, and detailed field studies looking to possible uniform adoption of the international one-quarter inch rule and/or cubic foot measurement as substitute for the Scribner decimal C rule. The latter recommendation deals with the way in which the board-foot volume of timber is measured for management inventories of standing timber and for timber sales.

Other recommendations include possible adoption of a joint nursery program, and action to meet land jurisdictional problems in the complicated checkerboard ownership areas of western Oregon.

Secretary of Agriculture Freeman noted that the six national forests in western Oregon embrace approximately 6.3 million acres. From these lands some 1.8 billion board feet of timber are harvested each year under sustained yield management.

Secretary of the Interior Udall noted that his Department's Bureau of Land Management manages about 2½ million acres of Federal lands in 18 western Oregon counties. From these lands BLM harvests more than 1 billion board feet of timber each year under sustained yield program.

The Department's Bureau of Indian Affairs is responsible for some 2.1 million acres of commercially valuable Indian-owned forest lands in the Pacific Northwest. Timber sales from these lands amounted to 370 million board feet in fiscal year 1960.

Other efforts toward uniform practices would include action to resolve legal differences now existing in the transfer of contracts, and maintenance of close liaison on set-aside timber sales for small businesses. In addition, existing interagency committees in Washington, D.C., and in Portland, Oreg., are to be strengthened and given specific responsibilities for further recommendations on uniform timber management practices.

The complete text of the 13 summary recommendations is attached.

SUMMARY OF RECOMMENDATIONS

1. The agencies will continue adherence to the established management objective of producing sawtimber as the main product of timber harvest cutting.

2. The agencies are to obtain standardization of management plan inventory procedures.

3. The agencies are to reconcile significant procedural differences in determining allowable cut.

4. The Interagency Timber Appraisal Committee is to be continued as a means of progressing toward elimination of timber appraisal differences.

5. The agencies will consider the need for acting in unison when making any changes in bidding methods.

6. The General Counsel for the Department of Agriculture and the Solicitor for the Department of the Interior will confer with respect to the resolution of the legal differences now existing in the transfer of contracts.

7. Both agencies will maintain close liaison with respect to the set-aside sale program of the Small Business Administration and carefully considered common policies will be followed.

8. The agencies will explore the need for a joint nursery program.

9. The Forest Service, the Bureau of Land Management and the Bureau of Indian Affairs will institute jointly a program aimed at providing for the uniform measurement of timber for management inventory and for sales.

10. The two Departments will collaborate on development of a uniform timber trespass bill and regulations.

11. Both agencies are to consider and recommend action to meet certain land jurisdictional problems.

12. The existing interagency committees in Washington, D.C., and in Portland, Oreg., are to be strengthened and given specific responsibilities for recommending uniformity of timber management practices.

13. The offices of both agencies in Portland, Oreg., will establish the same arrangement for exchanging manual and handbook material and all amendments thereto as is presently in effect between both agencies in Washington, D.C.

Mrs. NEUBERGER. Mr. President, my appraisal is that by and large what the Departments have done is agree to do more about agreeing. I say this not in derogation but simply because in virtually each of the 13 points cited one finds these phrases: "The agencies are to obtain," "the agencies are to reconcile," "the committee is to be continued," "the agencies will consider the need for action in unison," and "the agencies will explore."

I think it fine that the two Secretaries are proceeding to work together. I express the hope that we will shortly see announcements indicating that agreements have been reached in the substantive areas where illogical divergencies in policy and program may exist.

HASTE SAVES WASTE

Mrs. NEUBERGER. Mr. President, our national heritage of scenic wonders may be lost unless this Congress acts soon on the various proposals to establish additional National Parks. As a recent article in the New Leader put it:

> Places like these [the proposed parks] with their natural beauties and advantages cannot be saved at the Government's leisure. There is only one of each—and when its gone, it is gone.

I ask unanimous consent that the article, entitled "Preserving Our National Parks" and authored by William E. Bohn, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESERVING OUR NATIONAL PARKS

(By William E. Bohn)

Why in the world I have never heard about or subscribed to the National Parks magazine I shall never know. Advertisements by the dozen for weekly and monthly journals have been cluttering up my mailbox for years. But until a couple of months ago I had never received a single come-on from the organ of the National Parks Association.

I subscribed immediately and have since received the numbers for April and May. It is a beautiful magazine, only 20 pages thick because it contains practically no advertising. Yet, it is filled with much valuable information about our national parks, a subject I really care about.

The national park system is operated by the National Park Service, a bureau of the Department of the Interior. The Service is probably run about as well as any department of any government ever was. Conrad L. Wirth, its Director, is a first-class public administrator. We are fortunate, too, to have in the Kennedy administration Stewart L. Udall, a Secretary of the Interior who is an intelligent and energetic conservation man. From the point of view of the administration of our national parks, we seem to be entering upon a prosperous and progressive period.

But if there is one thing which we have learned better than any other, it is that no government is ever to be trusted. No matter how good your elected or appointed officials are, you have to keep forever after them. There are some 20 or 25 other private organizations besides the National Parks Association which are interested in our birds, beasts, trees and flowers. But the association seems to be closer to the Service than any other group and better fitted to follow up its activities. Criticism is offered in the friendliest and most constructive way.

An article in the April issue of the magazine is about Mission 66, a massive plan for a series of park improvements to be made from 1956–66. This great forward burst, based on a series of measures passed by Congress, comes during the current decade because 1966 will mark the 50th anniversary of the law that set up the Service and gave form and solid substance to the entire national park system. The article suggests rather politely that better use might have been made of the millions appropriated by Congress for the anniversary celebration. In general, it says, too much has been spent for roads and structures and too little for conservation and development: "Management and protection got $17 million in the 1960–61 budget. Construction got $52 million, and in addition maintenance and rehabilitation of physical facilities got $13,500,000."

The number of customers who come crowding into the parks continues to grow. In 1960, 72,288,000 persons made use of the parks, monuments, and other facilities of the Service. That is an increase of nearly 5 million over 1959. The superintendents, directors, and others in charge of these places are proud of their immense success and naturally want to increase their facilities with the object of taking better care of their many millions of customers.

But in the process, flowers, plants, and trees may be crushed and birds and beasts may be driven out into whatever is left of the wilderness. The members of the association believe that we need something besides more space, more land, more roads, more motels and eating places. We need to take stock of our most exciting and beautiful spots—and then we need the money, intelligence, and tenacity to keep them, increase them, protect them and nurture them.

Into the lively kettles bubbling in the House and Senate down in Washington are going the greatest lot of proposals for parks, monuments, and national seashores ever made in our Federal Legislature. Just run some of them over in your mind: the Cape Cod Seashore in Massachusetts, the Oregon Dunes Seashore, the Indiana Dunes Seashore near Chicago, the Padre Island Seashore in Texas, and the Chesapeake and Ohio Canal Park in Maryland.

It is vitally important that work on all of these projects begin very soon. Places like these with their natural beauties and advantages cannot be saved at the Government's leisure. There is only one of each—and when it is gone, it is gone. Hotels, motels, and every other sort of commercial enterprise are ready to grab them. Once they are built upon, as profitmakers can and do build, that is the end. The wonder disappears, the price goes up, and the possibility of saving the charm for our descendants also disappears. Many such places have already been gobbled up; our children are being robbed of their heritage in order to fatten someone's bank account.

Some of our Congressmen and Senators are doing their best in this respect for the public good; others don't care. The lobbyists are forever on hand to represent the moneymakers. There are millions of people who want to preserve the parks, but most of them don't know what is going on. It is up to intelligent citizens to put in a good word for our descendants.

THE LOGAN ACT—TRACTORS FOR CUBA

Mr. DIRKSEN. Mr. President, on occasion the Logan Act has been mentioned in the Senate in connection with the proposed tractors-for-prisoners exchange with Cuba. It is always interesting, of course, to go back and examine the act. People do not always have time to procure a copy of the code and examine the appropriate section. Therefore, in the interest of giving the item in question proper currency, I believe I ought to read the section into the RECORD. It is section 953, title 18, of the 1958 edition of the United States Code. I think this is the item that applies:

> Any citizen of the United States, wherever he may be, who, without authority of the United States, directly or indirectly commences or carries on any correspondence or intercourse with any foreign government or any officer or agent thereof, with intent to influence the measures or conduct of any foreign government or of any officer or agent thereof, in relation to any disputes or controversies with the United States, or to defeat the measures of the United States, shall be fined not more than $5,000 or imprisoned not more than three years, or both.
>
> This section shall not abridge the right of a citizen to apply, himself or his agent, to any foreign government or the agents thereof for redress of any injury which he may have sustained from such government or any of its agents or subjects.

I have read the appropriate section in the so-called Logan Act, which gets its name from the late distinguished Senator Logan from Kentucky, whom it was my pleasure to know quite well. There are many implications in the section. Those who might be interested can now examine it for themselves.

HOUSING LEGISLATION

Mr. BUSH. Mr. President, the housing bill will be coming up for action immediately after the Interior appropriation bill is disposed of. I should like to call to the attention of Senators one new feature in the housing bill, which is the 40-year, no-downpayment, mortgage provision, backed up by FNMA purchases.

With the subsidized interest rate in the program, it is likely that FNMA purchases will take up all the mortgages, because there will not be any interest shown by anyone else in such mortgages. I merely wish to call to the attention of the Senate the fact that it is frequently said the FHA housing program does not cost the Government any money, because the insurance program has been in the black and the losses have not exceeded the premiums.

On the other hand, what is overlooked all the time is the fact that FNMA's expenses have increased year after year. I am referring to page 74 of the appendix to the hearings on the housing bill, which shows a table entitled "Comparative FNMA Portfolio and Outstand-

ing Purchasing Obligations at End of 1960 and 1959. That table shows that as of the end of last year the total portfolio and contracts of FNMA totaled $6,900 million. What we see here is a race between FNMA and the Commodity Credit Corporation, to see which one will accumulate the heaviest surpluses. We now have an accumulation in the Commodity Credit Corporation of $9 billion. We have nearly $7 billion accumulated in the FNMA program.

The housing bill, if it passes in its present form, will very substantially increase the portfolio. I point that out to Senators who wonder how they shall vote on the 40-year, no-downpayment provision of the bill.

The Senator from Indiana [Mr. CAPEHART] will offer an amendment to strike out that provision, and there will be other amendments to modify the provision if the Senator's amendment fails. I believe that we should take a long look at it, in view of the various warnings which have come from the President of the United States to protect our credit and to observe fiscal order in the Government. Therefore, we ought to take a long look to see whether we should expand this program.

I note that the minority leader said yesterday that we were facing a deficit of over $3 billion in the next fiscal year. I believe he said it would be $3.3 billion, or something on that order. I would point out that the Budget Director and the chairman of the Council of Economic Advisers have advised our Joint Economic Committee of Congress that the cash deficit, as now projected, is over $5 billion. Therefore, it is not only a budget deficit of $3.3 billion that we face, but we also face a cash deficit of more than $5 billion if we stopped right now adding to it.

Therefore, I believe Senators ought to look at the amendments that will be offered by the Senator from Indiana and myself, and by the Senator from Utah [Mr. BENNETT]. We should look at these amendments very carefully to see that the housing bill does not become a groping giant which is too demanding upon the taxpayers of the country.

There is much in the bill which I support. There is a great deal of good in it. I protested constantly, and I protest anew, against an omnibus housing bill that takes in so many unrelated factors as the pending housing bill does.

THE VIENNA CONFERENCE

Mr. DIRKSEN. Mr. President, before the President of the United States departed for the Vienna Conference, I said that that was a matter wholly within his determination as the Chief Executive. I expressed the hope that when he returned he would make a very meticulous and careful and candid report to the country. I did not have my hopes set too high with respect to the results that might be achieved, for a reason that is intrinsic in a conference of that kind.

Here were doubtless the two greatest leaders in the world, meeting where all the world could see. It was said that approximately 1,800 newsmen and people identified with radio and TV were there to cover the Conference. It was essentially, therefore, something of a showcase. There was also the factor of a sharp conflict of ideology between the two leaders. There was also the question of prestige and the question of "face." I believe that in itself militates against any concession under the circumstances. Those things must be kept in mind when we seek to evaluate what might happen.

I believe that my hope was requited in the message the President delivered to the country last night. He stated what he thought were the major points and what he hoped to accomplish, and disclosed to the American people in brief compass virtually everything that happened.

Therefore I do not believe that anyone can quarrel with the nature of the message, or say that there was anything concealed, because the whole matter was fully and fairly disclosed, and nothing was actually negotiated.

HEARING SCREENING PROGRAM OF THE LOYAL ORDER OF THE MOOSE IN PARKERSBURG, W. VA., PROVES SUCCESSFUL—EFFORT WILL BE MADE TO EXTEND IT THROUGHOUT THE NATION

Mr. RANDOLPH. Mr. President, for many years I have been an active and vigorous supporter of improving the economic opportunities and the physical and social rehabilitation of the physically handicapped. It was therefore with much gratification that I learned recently of the joint efforts of one of the great fraternal organizations and one of our large electronics manufacturers in identifying and thus combating the problem of a hearing loss.

One of the least publicized of our national health problems is spotlighted by more than 15 million Americans now suffering a hearing loss.

This becomes an important statistic to our Government, to industry, and to the average person when it is realized that the hard of hearing number more than those suffering from heart disease, polio, and tuberculosis combined.

For the majority of persons experiencing a hearing loss there is no badge of identity, such as white canes for the blind, or crutches for the lame. Many individuals with impaired hearing who resist surgery or the use of a modern hearing aid walk the streets of loneliness withdrawing from the busy world of sound.

Unfortunately, it is a common belief that only the older or aged people are deaf, but this is a fallacy. Hearing troubles can develop any time in life, even before birth.

Recently, the work of a national fraternal organization in screening the hearing of children and adults came to my attention in my home State. The organization was the Loyal Order of Moose, the members of the local chapter in Parkersburg, W. Va., having volunteered to conduct a pilot program of hearing screening in their city.

The members of the Moose became interested in the problems of hearing when they discovered that thousands of boys and girls go through school and early adult life without a hearing test.

The Moose further learned that prompt attention to early ear infections in a child many times can save a boy or girl the handicap of a hearing loss in later life.

With the general approval of the Moose national headquarters in Mooseheart, Ill., the city growing on the Ohio River was made a laboratory for a test program.

It was decided the members of the Parkersburg Moose would organize a civic affairs committee to offer hearing screening tests to the general public—both children and adults—at no charge.

To successfully execute the program, the Moose organization needed help in training volunteer workers, and sought special equipment to use in the hearing screening process.

A Chicago electronic manufacturer of hearing aids and testing equipment, Zenith Radio Corp., volunteered the time and talents of its training executives, and a team of specialists was dispatched to the laboratory city.

In a short time, a master plan was drawn, Moose committee members trained, and a program presented to the city's mayor and newspapers.

The response was gratifying. The local newspapers cooperated to the utmost, and businessmen willingly contributed radio commercial time on their programs urging citizens to take advantage of the free hearing screening tests being offered. The project began to take shape.

During the 2-week effort last November hundreds of Parkersburg men, women, and children had their hearing tested by a screening device operated by volunteer workers.

The results were interesting: 60 percent of the persons screened were children; 5 percent teenagers; 35 percent adults.

The Moose discovered 1 in 10 needed further advice on their hearing from their family physician.

The laboratory of Parkersburg yielded much information to the members of the fraternal organization. It proved they were effectively offering a public service on a regular basis, and it is my understanding that next year they intend to carry the program into all the Parkersburg schools.

A full report on what happened in this spirited West Virginia community was sent to the national headquarters of the Moose, where officers and representatives from all sections of the country met to appraise the results of this test run.

I am happy to state than on June 25th, when the Loyal Order of Moose holds its important annual convention in Memphis, Tenn., the group will announce to several thousand delegates the wholehearted support of a nationwide hearing-screening program. This announcement will be made by Earle W. Horton, Moose director of civic affairs, who has molded the Parkersburg,

W. Va,. test into a full-fledged hearing conservation program.

Mr. Horton will explain that the Moose of America hope to save children with an inner ear infection the handicap of a hearing loss later in life, and that screenings can help detect this type of hearing loss. Mr. Horton will also reveal that the Moose will call attention to the need for having everyone's hearing tested on a regular basis.

Of special interest to me, as a Senator of the on-the-move State of West Virginia, Mr. Horton will pay tribute to all the Parkersburg volunteers. I wish to do so in this manner today, for their cooperation, vision, and awareness of this serious national health problem.

It is a genuine privilege, therefore, to commend my neighbors and friends and wish them continued success. I am a member of the Elkins (W. Va.) lodge in my home city, and am conscious of the activities there, in our State, and throughout the Nation, which have proven this organization of men—and the auxiliary of women—to be alert and helpful in programs for the benefit of its members and their families. In a broader sense, however, the country and its citizens are aided and strengthened. This specific undertaking embraces an important service to the Nation, and the Zenith Radio Corp. has given its public spirited contribution of technical equipment and trained personnel in a worthy endeavor.

THE FREEMAN FARM PLAN

Mr. HRUSKA. Mr. President, the Freeman farm plan has been the subject of hearings over the past several weeks. It has been widely written and spoken about throughout the country.

It is a comprehensive bill, containing over 75 printed pages. There is no part of the agricultural or farm subject into which it does not go.

This is neither the time nor the place to go into detail about the many claims of merit made by its advocates, nor the many criticisms made by its enemies. But there is one aspect of the plan which is receiving top-billing in so many of the publicity pieces on it, that wide attention has been accorded to it. Such wide attention is clearly deserved, when a little thought is devoted to the point. And questions arise in one's mind when he does so.

It has to do with the comments as to how the plan would work, the methods used to get it into action.

STEP-BY-STEP PROCEDURE TO SET UP NEW FARM PLANS

The U.S. News & World Report, June 12, 1961, sets forth the step-by-step procedure provided in the bill to set up new farm plans, as follows:

1. Farmers producing any commodity could request the Secretary of Agriculture to set up a plan for production and marketing of that commodity.

2. The Secretary would select a committee of farmers to recommend a plan for the commodity. The committee would be selected from people nominated by farmer-elected county committees in areas producing the commodity. A consumer representative would be named to the committee.

3. This "commodity advisory committee" would recommend a plan based on one or more of a variety of methods provided in the bill now before Congress. These include controls based on acres, or on quotas in pounds, bushels, and bales. Other methods: price-support loans, incentive payments, Government buying to firm market prices. Marketing orders, such as those now used to regulate supplies of milk, fruits, and vegetables in many areas, would be authorized on a broader scale. So would "production payments" by which farmers are reimbursed if the price of a product falls below a certain level.

4. After getting the committee's recommendations, the Secretary of Agriculture would draft a plan and submit it to Congress.

5. If Congress did not veto the plan within 60 days, and the President approved, the plan would be submitted to a referendum of farmers producing the commodity. If approved by at least two thirds of the farmers voting, the plan would go into effect.

As to these steps, how they would be taken and their results, the views of Secretary Freeman are then outlined in the article, in part, as follows:

I urge you to note these important points:

The democratic procedures: Farmer-elected advisory committees in consultation with the Secretary consider and recommend individual commodity programs.

The safeguards: Consumer representatives participate—review by the Congress—approval by two-thirds of the producers.

Note that the bill establishes agricultural procedures, not programs. The democratic process is called into play at every stage. It would mean less, not more, Government in agriculture. The power of the Secretary to initiate programs will be diminished, rather than expanded.

Mr. President, the procedures provided in S. 1643 are not democratic. Nor is the democratic process called into play.

Consider these points which are clearly seen in provisions of the bill:

No provision is made for commodity producers of any commodity to take the initiative in securing the appointment of the farmer advisory committee. The Secretary determines this.

The Secretary would set the terms of office. He would conduct the nomination and selection process.

He would name the appropriate farm organizations from which to select one-third of the advisory committee.

He would set the number of members of the committee and determine the areas from which they come.

They would serve at his pleasure. He would be able to limit the committee functions. He could dissolve the committee any time he wished.

How democratic is a process which embraces such powers of a Secretary?

POWER OF SECRETARY IS INCREASED

The Secretary's statements that the power of the Secretary would be diminished rather than expanded caught the eye of the Senator from Vermont [Mr. AIKEN]. He went through title I only of the bill S. 1643 to find and list 23 grants of new authority which the Secretary would be able to exercise for the first time if the bill is enacted. They include the following:

LIST OF NEW AUTHORITY GRANTS UNDER S. 1643

1. Develop national marketing orders, without a public hearing, for any agricultural commodity. Under such orders, the Secretary could:

(a) Administer national orders on a regional basis.

(b) Include volume controls.

(c) Select base periods for production adjustment.

(d) Set quotas in terms of acres, production units or commodity units.

(e) Establish minimum allotments.

(f) Establish voting eligibility.

(g) Regulate marketing by grade, size, pack, and container.

(h) Include mandatory checkoffs for promotional advertising.

(i) Impose civil penalties on producers.

(j) Refuse a hearing on an appeal by a producer.

(k) Require a producer to sell to a particular handler.

(l) Continue an order even though a majority of producers favored its termination.

2. Develop marketing quota programs for any agricultural commodity, whenever the total supply exceeded normal supply. Under such quota programs, the Secretary could:

(a) Set quotas in terms of acres, production units, or commodity units.

(b) Adjust national marketing quotas practically at will.

(c) Adjust farm marketing quotas practically at will.

(d) Establish voting eligibility.

(e) Establish minimum allotments and abolish present ones.

(f) Provide for transfer of allotments on any commodity by any method.

3. Include the following in price-support programs:

(a) Direct payments.

(b) Incentive payments.

(c) Diversion payments, based upon specific authority.

(d) Limitation on price supports to any one producer, based upon specific authority.

(e) Require compliance with conservation practices, based upon specific authority.

Under these facts, this question surely can well be asked: "Is the power of the Secretary greater or less under S. 1643?"

The burden is on the Secretary to answer that one.

ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. MANSFIELD. Mr. President, I move that the unfinished business, S. 1922, the housing bill, be made the pending business before the Senate.

The PRESIDING OFFICER. That bill is the pending business.

INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1962

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 1922, the housing bill, be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 265, H.R. 6345, Interior Department and related agencies appropriations for 1962.

I make the request notwithstanding the previous unanimous-consent agreement entered into, with the proviso that if my present request is agreed to, the unanimous-consent agreement affecting the housing bill will go into effect on the completion of action on the Interior Department appropriation bill.

The PRESIDING OFFICER. Is there objection?

Mr. DWORSHAK. Mr. President, reserving the right to object, how much time does that permit for discussion?

Mr. DIRKSEN. There is no limit.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H.R. 6345) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

Mr. MANSFIELD. Mr. President, is the Interior Department appropriation bill now before the Senate?

The PRESIDING OFFICER. The Interior Department appropriation bill is now before the Senate under the unanimous-consent agreement.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUREAU OF INDIAN AFFAIRS

Mr. DWORSHAK. Mr. President, frequently we hear criticism by the American people to the effect that the Government does not render much assistance to the Indians, totaling some 350,000, who live on the reservations. Often I receive mail from my own State of Idaho, which has a large Indian population, alleging that Congress is parsimonious in allocating funds for the operations of the Bureau of Indian Affairs.

The report on the appropriation bill now before the Senate shows that the total amount provided for the Bureau of Indian Affairs, exclusive of tribal funds, is $163,481,000, or an increase of $37,295,000 over the 1961 appropriation.

Then the total amount provided for the Public Health Service for Indians exclusively, for the next fiscal year, is $63,875,000, or an increase of $3,890,000. This makes a total increase for the Bureau of Indian Affairs in these two programs of about $41 million.

The Bureau of Indian Affairs was created in 1789, 172 years ago. For many years, the appropriations for this agency have been increasing materially. Yet the status of the Indians on the reservations indicates that they are making little progress toward the ultimate objective of the Bureau and the American people, which is the full integration of the Indians as American citizens.

Mr. President, I have before me a table, which was prepared at my request, showing the appropriations for the Bureau of Indian Affairs for the fiscal years from 1948 through 1961. In 1948, which was only 13 years ago, the total appropriation for the Bureau of Indian Affairs was $39,806,530, or approximately $2 million less than the increase in the budget for the Bureau of Indian Affairs for the coming year as compared with the fiscal year 1961.

It is significant that in the years since 1948, appropriations for the Bureau have been increasing very rapidly. From $39,800,000 in 1948, the appropriation has increased to about $227 million this year. For the 350,000 Indians who live on the reservations, this amounts to approximately $650 per capita. Thus we are appropriating for the operations of the Bureau of Indian Affairs $650 for every Indian man, woman, and child.

It is also significant to observe that currently the Bureau of Indian Affairs has almost 17,000 employees.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a tabulation showing the increase in the appropriations for the Bureau of Indian Affairs from 1948 through 1961.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

APPROPRIATIONS, BUREAU OF INDIAN AFFAIRS

Funds for fiscal years 1948–61 [1]

Fiscal year	All other	Health	Total
1948	$31,153,230	$8,653,300	$39,806,530
1949	51,763,327	10,365,195	62,128,422
1950	55,341,067	12,128,679	67,469,746
1951	62,547,167	16,842,888	79,390,055
1952	65,446,982	16,421,949	71,863,912
1953	64,240,642	22,839,765	87,080,407
1954	62,586,760	21,536,000	84,122,760
1955	67,693,562	23,418,898	91,112,460
1956	78,703,498	[2] 39,816,000	119,519,498
1957	87,737,500	[2] 47,537,000	135,274,500
1958	107,743,000	[2] 43,230,000	150,973,000
1959	125,849,500	[2] 48,337,000	174,186,500
1960	115,777,000	50,487,000	166,264,000
1961	121,407,000	57,990,000	179,397,000
Eisenhower 1961 supplemental	4,502,000		
Subtotal	1,093,492,116	419,603,674	1,513,095,790
Eisenhower 1962 budget request	139,786,000	59,037,000	198,823,000
Total	1,233,278,116	478,640,674	1,711,918,790

Number employees as of June 30, 1960

Bureau of Indian Affairs	11,667
Health, Education, and Welfare	5,116
Total	16,783

[1] Does not include tribal funds.

[2] Appropriated to Health, Education, and Welfare in accordance with Public Law 568, 83d Cong., transferring the maintenance and operation of health facilities to Health, Education, and Welfare.

Mr. DWORSHAK. Mr. President, I have placed this table in the RECORD primarily to emphasize that Congress has been most generous in making appropriations for the Bureau of Indian Affairs. During the hearings before our subcommittee on this appropriation, when I became critical of the failure of the Bureau to provide services which are essential for the Indians, and to enable them to improve their living standards and qualify themselves for full American citizenship, I suggested that probably the time has come when the Bureau of Indian Affairs should be abolished. Of course, I did not make that comment very seriously; but, Mr. President, it is time Congress made a thorough investigation of the operations of this Bureau to determine what is necessary to improve it. Probably the Bureau of Indian Affairs could not be abolished overnight; but certainly some drastic changes should be made in its program for the benefit of the 350,000 Indians who live on reservations and to reduce expenditures. I think it is the responsibility of Congress to investigate and determine what is wrong in what appears to be the incompetent and ineffectual operations of the Bureau of Indian Affairs.

ASSISTANCE FOR THE TUNA INDUSTRY

Mr. KUCHEL. Mr. President, the State from which I come has been intensely interested in the type of succor and assistance available by the Department of the Interior, through the Bureau of Commercial Fisheries, for research in our vast tuna industry. As a Californian and as a Senator, I have been interested during the last several years in attempting to resuscitate the tuna industry. It is a highly important segment of our national economy. A regrettable situation has existed in which people engaged in farming the sea, in going to sea to obtain tuna, and the canneries as well, have been facing almost bankruptcy. Beneficent legislation has been passed by Congress in the last several years. Some of it, I was glad to sponsor in the Senate.

I think an important part of the program undertaken by the U.S. Government to be of assistance to the American tuna industry comes in the area of research conducted by the Bureau of Commercial Fisheries with respect, for example, to oceanography. A year ago the Senate responded to a reasonable request. I recall, with great regret, that the action taken in this Chamber was largely dissipated in conference.

Mr. President, I wish to inquire of the able Senator from Arizona, the chairman of the Committee on Appropriations, for the purpose of precise legislative history, what, precisely, is provided in the bill now before the Senate for research with respect to tuna?

Mr. HAYDEN. A total of $645,000.

Mr. KUCHEL. Will the Senator from Arizona break down that amount into the three categories which I understand together make up the $645,000?

Mr. HAYDEN. I have from the Department a statement which should interest the Senator from California. It reads as follows:

TUNA PROGRAM—EASTERN PACIFIC

The sum of $100,000, which was made available for eastern Pacific tuna work in fiscal year 1961 is included in the fiscal year 1962 budget, which has been passed by the House. The President has supported increased oceanographic research and House action has approved the sum of $1 million for this purpose; $175,000 is intended for use in the eastern Pacific where the tuna resources harvested by the California-based fishing fleet are found and which will benefit from these oceanographic studies.

The contemplated programing of Saltonstall-Kennedy funds for tuna in the California area in fiscal year 1962 is $370,000 of which $320,000 is for biological research and $50,000 for technological research.

Mr. KUCHEL. I thank the Senator from Arizona.

Then, in the appropriation bill now before us, there is, in total, $645,000 available for research with respect to tuna and tuna fishing?

Mr. HAYDEN. That is correct.

Mr. KUCHEL. Would the Senator from Arizona say I am correct when I state it is the intent of this legislation,

that those funds—the $645,000—be allocated for this specific purpose?

Mr. HAYDEN. Clearly that is the Department's intention, and it is also the intention of the committee.

Mr. KUCHEL. Once again I thank the able Senator from Arizona for his assistance. If these funds are insufficient, I respectfully reserve the right to urge the committee, and the Senate, later this session to augment them.

Mr. President, I ask unanimous consent, in connection with this colloquy, to have printed at this point in the RECORD a memorandum I have on this subject.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 12, 1961.

Hon. THOMAS H. KUCHEL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KUCHEL: I have some further information with regard to your letter of February 3 and the letter of January 30 from Mr. Charles Carry and Dr. W. M. Chapman, which you enclosed, concerning the need for additional funds for a tuna research program in California. In my response of February 24 I informed you that the Department had an oceanography program under consideration and expected to make some recommendations shortly.

The revised budget for fiscal year 1962 contains a request by the Department for $175,000 for oceanographic research in the eastern Pacific in the area of interest to the California tuna industry.

The studies are now being conducted with a budget of $470,000. The increase of $175,000 will bring the total program to $645,000 in fiscal year 1962. This increase will accelerate the collection of biological information necessary to determine distribution and behavior of tuna and related species. The results of these studies will be the basis for recommendation to the industry on the best times of methods for maximum harvest of the renewable resources.

We believe this is a reasonable acceleration of the work in this area.

I will keep you informed as further developments occur.

Sincerely yours,

JAMES K. CARR,
Under Secretary of the Interior.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. What is the pending business?

The PRESIDING OFFICER. The pending business is the Interior Department appropriation bill. There are two amendments—one, the so-called Gruening amendment, which went over; the other, an amendment offered by the Senator from Illinois. No priority has been established. There was a unanimous-consent agreement, in connection with the housing bill, which provided that amendments which went over would be taken up in the order in which they were proposed. But there was no agreement as to the amendments to the appropriations bill. Without anything further, it would be assumed that they would be taken up in the same way.

Mr. DIRKSEN. Then the priority would be established on the basis of which Senator requested action first on his amendment. Is that correct?

The PRESIDING OFFICER. That would have been the priority in connection with the housing bill; but in the absence of any order, there is no priority for the consideration of amendments to the appropriation bill. So the priority as to such amendments will be established here and now.

Mr. DIRKSEN. Then, Mr. President, I recur to the amendment which I offered before the adjournment of the Senate, with the understanding that vote on it was to go over until today. It is an amendment to make a cut in the amount of one of the appropriation items on forest management. I have conferred on this matter with the chairman of the Appropriations Committee.

First, inasmuch as the yeas and nays have been ordered, I ask unanimous consent that the order for the yeas and nays be withdrawn.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DIRKSEN. Now, Mr. President, I modify the amendment, so it will read as a reduction of $10 million, instead of $15 million. I do not have the appropriate language before me now.

The PRESIDING OFFICER. The Senator from Illinois has a right to modify his amendment; and the amendment will be modified accordingly.

Mr. DIRKSEN. That modification will make a difference of $5 million in the last amount recited, and will call for the amount to be $139,200,000.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Illinois.

Mr. DIRKSEN. Mr. President, on that question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I thought perhaps the chairman of the committee would say just a word on this matter.

Mr. HAYDEN. Mr. President, the committee recommended a $30 million increase, which the Senator proposes to cut in half. If we could have a yea-and-nay vote on it and have the support of the Senate, I would be willing to take to conference a recommendation of a $20 million increase.

Mr. DIRKSEN. Mr. President, I have modified my amendment so that, instead of cutting the item by $15 million, it is cut by $10 million. That means that an item of $20 million is still unbudgeted, for which the House made no provision, and will still be included in the bill and taken to conference. Is that correct?

Mr. HAYDEN. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois, as modified.

Mr. KUCHEL. Mr. President, I should like to address my able leader and ask him a question. During the deliberations in the Senate Appropriations Committee, I was personally gratified to have the committee accept an amendment which I offered, providing some additional money for fire prevention and fire control in the four national forests in the southern part of the State of California. I wish to call to the attention of my able leader that only 2 weeks ago we had our first forest fire this season. I shall put in the CONGRESSIONAL RECORD, either today or tomorrow, some startling comments by persons interested in conservation that this may be the worst year in the history of the West with respect to the hazard of forest fires.

Having said that, I ask my able leader whether in the amendment which he now proposes none of the moneys which the Senate Appropriations Committee included for firefighting would be excluded. Is that correct?

Mr. DIRKSEN. The Senator is correct. This is general reference to forest management. The sponsors of the proposal had in mind implementing the action by employment in distressed areas where forestry was involved. So, insofar as I know, this amendment does not in any way circumscribe the firefighting activities of the Forest Service.

Mr. KUCHEL. Under the terms of the amendment which the able Senator from Illinois proposes, the conference would still sit in judgment on two-thirds of the appropriation items which did not have budgetary approval.

Mr. DIRKSEN. That is correct; neither budgetary approval nor House approval.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois, as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BURDICK. Mr. President, on this vote, I have a pair with the Senator from Vermont [Mr. AIKEN]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Arkansas would vote "nay."

I further announce that, if present and voting, the Senator from Florida [Mr. SMATHERS] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate on official business and his pair has been previously announced.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON] are absent on official business.

The Senator from Kentucky [Mr. COOPER] is necessarily absent.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Kentucky would vote "nay."

The result was announced—yeas 77, nays 13, as follows:

[No. 58]

YEAS—77

Allott	Goldwater	Morton
Anderson	Gruening	Moss
Beall	Hartke	Mundt
Bennett	Hayden	Neuberger
Bible	Hickenlooper	Pastore
Boggs	Hickey	Pell
Bush	Hill	Prouty
Butler	Holland	Robertson
Byrd, Va.	Hruska	Russell
Byrd, W. Va.	Javits	Saltonstall
Cannon	Johnston	Schoeppel
Capehart	Jordan	Scott
Case, N.J.	Keating	Smith, Mass.
Case, S. Dak.	Kerr	Smith, Maine
Church	Kuchel	Sparkman
Clark	Lausche	Stennis
Cotton	Long, Mo.	Symington
Curtis	Long, Hawaii	Talmadge
Dirksen	Mansfield	Thurmond
Dodd	McClellan	Wiley
Douglas	McGee	Williams, N.J.
Dworshak	McNamara	Williams, Del.
Ellender	Metcalf	Yarborough
Engle	Miller	Young, N. Dak.
Ervin	Monroney	Young, Ohio
Fong	Morse	

NAYS—13

Bartlett	Jackson	Muskie
Carroll	Kefauver	Proxmire
Gore	Long, La.	Randolph
Hart	Magnuson	
Humphrey	McCarthy	

NOT VOTING—10

Aiken	Carlson	Fulbright
Blakley	Chavez	Smathers
Bridges	Cooper	
Burdick	Eastland	

So the Dirksen amendment, as modified, was agreed to.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SALTONSTALL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HART subsequently said: Mr. President, I ask unanimous consent that the remarks I am about to make may appear following the yea-and-nay vote on the Dirksen amendment to the Department of the Interior appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, it is possible for me to speak only for myself on this vote. However, I believe my reason for voting "nay" on the Dirksen amendment is the same as the reason which applied also to each of the other Senators who voted "nay."

I should like the RECORD clearly to identify this "nay" vote as reflecting a belief that the sum of $30 million should be added for the Forest Service, and not the lesser sum of $20 million proposed by the Dirksen amendment. This amendment cuts the $30 million which the Committee on Appropriations recommended. The "nay" vote reflects a desire and full support for the $30 million; clearly it is a vote which must be recognized as supporting the Senate position. Indeed, this yea-and-nay vote establishes virtually unanimous support in conference for the $20 million.

On the next point, I am confident I speak for all who cast a "nay" vote. The leadership of the distinguished Senator from Arizona [Mr. HAYDEN] both in the subcommittee and in the full Committee on Appropriations, in bringing to the Senate the added $30 million is acknowledged with gratitude. From his broad experience he recognizes the obligation to protect the more than $7.5 billion of capital value represented by our national forests. The Senate, in response to his leadership and wisdom, now has given to him the strongest possible demonstration of its hope and desire that the Forest Service item of increase be held in the conference. I thank the Senator from Arizona for this most recent display of his energy, skill, and devotion to the common good.

Mr. GRUENING. Mr. President, I call up my amendment, on page 6, line 10, to strike out "$41,708,000" and insert in lieu thereof "$42,083,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alaska.

Mr. GRUENING. The purpose of the amendment is to restore an item of $375,000, which was designed to bring into the service of the Office of Indian Affairs of the Department of the Interior a reconditioned boat, a better boat with a larger carrying capacity, which will serve the needs of some 98 Eskimo and Indian communities along our long shore front in Alaska.

Such a boat has been in service in Alaska since 1922. It began as a little boat, the *Boxer*, of 300 tons. As the populations increased, other, larger boats were substituted. There has been a boat in this service continuously since then. The boat is called the *North Star*. The last time the boat was reconditioned was in 1956. The repair and reconditioning of this boat is supposed to take place every 4 years. I am informed by the Department of the Interior that the reconditioning of this boat next year is essential, because it travels through very perilous passages, through the floating ice of the Bering and Arctic Seas. The reconditioning would cost at least $250,000, with an additional $50,000 for drydocking the boat. The boat which is sought to be secured can be reconditioned for $375,000. The boat would carry twice the amount of cargo of the present boat and would serve the growing population, which the present boat no longer can do.

The item was contained in the bill as it came from the House. I believe that possibly through lack of complete information it was deleted by the committee. I ask that it be restored.

Mr. MUNDT. Mr. President, may I ask, first, whether the yeas and nays have been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered on the amendment.

Mr. MUNDT. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MUNDT. Mr. President, I do not propose to discuss this amendment at great length in support of the committee's position, unless it becomes a matter of some widespread interest or controversy on the floor of the Senate, in which case I reserve the right to change my mind.

I believe that the committee's position should be clarified and approved, because we are at the crossroads today from the standpoint of determining a new governmental policy which will be with us for a long while. So long as Alaska was a territory we had, of course, special responsibilities to that area, as we do about any territorial undertaking. During the period of time in which Alaska was a territory, especially in the latter years, we operated this shipping line as a Government venture to provide, as the Senator from Alaska has pointed out, a service to certain Eskimo tribes and Indian tribes in remote areas of Alaska.

Now we are all happy to see Alaska a State, and of course, we must now consider the proposal before the Senate within the framework of the fact that we are dealing with 1 of our 50 sister States. Alaska is no longer entitled to the special considerations provided a territory.

The second reason, it seems to me, that impelled the committee—I believe by unanimous vote—to strike the proposal from the bill is the fact that before we buy this new ship and instigate in one of our established States a completely socialized shipping line, owned, operated, and controlled by the Federal Government, in competition with private shipping lines, we should fully evaluate and understand the circumstances which are before us.

One thing we should keep in mind is that we are not talking only about the $375,000 initial investment, which is the cost of rehabilitating and reconstructing the ship which it is proposed that the Maritime Commission deliver free of charge for this purpose. The total cost is much more than $375,000. However, let us settle, for the present, on the $375,000 figure proposed for reconstruction and rehabilitation of this ship which the Government is being asked to donate. The fact is that the annual operating costs of this socialized shipping line in the past have been going up each year, and the losses have averaged about $500,000 a year.

Before we decide by a yea-and-nay vote in the Senate to move in the direction of

state socialism to the extent of establishing from now on for one of our sister States a socialized shipping service, in addition to the matter of the principle involved, we ought to think of the matter of cost unless this body has lost all interest in economy in Government.

Therefore we have a $375,000 original investment, but we also have the anticipated historic annual cost of over $500,000 a year, for the purpose of operating the ship at most on only two round trips a year. This is not a venture like that of an ordinary ferry which makes a trip every day. The ports which this ship would serve are in areas which are closed by ice to shipping for well over half the year. Understandably, it makes these trips only during the open water season.

It is true that there are some Indians and some Eskimos in these remote areas of Alaska. But it is also true that there are Indians in other remote areas in many of our Western States. Before we initiate such a program, by a yea-and-nay vote in the Senate, for the first time in America, now that Alaska is a State, we ought to ask ourselves some serious questions.

Who actually is being benefited by this kind of venture in socialized shipping? It could be argued that the recipients of the food or the supplies or the merchandise being delivered by the ship are being benefited. However, this is not the case since this is no answer to the Indian problem. It is no answer to the Eskimo problem. It is not an answer to the problem of any of the individual citizens or any of the people for whom America has a responsibility, to continue to keep them into perpetuity isolated from civilization and providing them with services which encourage them to continue living in isolated circumstances. I believe we should devote our attention and spend our money trying to correct the situation which confronts them; in trying to find them better places in which to live; in trying to get them out of isolated pockests; in trying to provide them with acceptable means of livelihood; in trying to train them in handicrafts, in trying to provide them with jobs; and in trying to transport them into areas where they can earn a respectable living.

There is no constructive good to be served by saying to these people: "If you stay where you are, if you do not move out of these pockets, we are going to provide a socialized shipping service for you so you can be assured of getting some of the rudimentary necessities of life."

I think we are moving in the wrong direction, not only because I think it is wrong for the U.S. Senate to establish a socialistic enterprise which is unnecessary, but because there are private competitive shipping facilities available in this area. It is true that these shipping lines have had some union problems and some union troubles, as the Senator from Alaska has stated. It is true that because of the competition of Government service, private ship lines have refused to go into certain areas. It is true that they have not served all of this region.

But it is likewise true that the Bureau of Indian Affairs has airplanes as another means of transportation. So if emergency food problems are to be met, they can be met without engaging in a socialized shipping service.

Not only do I think this proposal is wrong from the standpoint of its impact upon the aborigines, because it tends to hold them in circumstances where they will never become self-reliant and self-supporting, but because instead of spending money to try to improve their conditions and give them an education and move them into other areas, we will be providing through this socialistic enterprise a means of transportation and communication which will make it more likely and more probable that they will permanently live where they are and as they have always existed from now until the end of time, a direct responsibility of the U.S. Government.

Mr. GRUENING. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. GRUENING. I believe it was Abraham Lincoln, the founder of the Republican Party, who said he believed that government should do for the people only what the people could not do for themselves. This is a case in point. Private enterprise has consistently refused to go into these ports. Private shipping will not go there. We would be glad to have its ships go. There has been no change in the situation by reason of Alaska's achieving statehood. These Indians and Eskimos live in the villages where they have lived since time immemorial. They play an important part in the defense of the United States.

The Senator from South Dakota should know about that. They live within naked eye view of the Iron Curtain of Soviet Siberia. They are an important part of the National Guard. It would be a disaster to remove them. They ought to continue to live there. They play a vital role in the national defense.

Mr. MUNDT. Mr. President, that is quite an intriguing argument. I am not surprised to hear it ventilated on the floor of the Senate. The argument is that the money should be taken from the Public Treasury because the item is for the national defense. I congratulate the Senator from Alaska on using that argument. I do not deny the validity of it. If it is true, we certainly do not need to spend this sum of money to operate a new socialistic enterprise, if these isolated islands of population are essential to the national defense. We have enough other kinds of transportation in our Defense Establishments which are available and which can meet the needs of the people who are without food as a regular operation of defense support.

Mr. GRUENING. Would the Senator from South Dakota wish to have the Navy go into competition with private enterprise? Would that not be shocking?

Mr. MUNDT. I would much rather have the Navy supply the outposts, as it normally does, than to establish a new socialistic enterprise in the form of a socialist steamship operating in competition with private enterprise.

Mr. GRUENING. I assure the Senator from South Dakota there is nothing socialistic about it. If this appropriation is not voted, the Government will spend the same amount of money or more to rehabilitate an old vessel which cannot render service effectively. The present *North Star* will have to be reconditioned.

Those people along the Pacific, Bering Sea and Arctic coasts cannot be left without an essential food and fuel supply. We will not allow them to starve and to freeze. I am quite sure that no Member of Congress, knowing the facts, would let those people go without food, and especially without the fuel supplies needed for their cold winters. They must be supplied. The question is, Shall they be supplied uneconomically by an obsolete vessel, the cost of the rehabilitation of which will be almost the cost of a new vessel, or shall we do it in a much better way, as we are committed to do, effectively?

Mr. MUNDT. The Senator from Alaska has narrowed the alternatives too much. We can do as he has suggested, but we can also take other steps to provide for the betterment of the Indians. We are being asked to invest the taxpayers' money to solve a problem which could better be solved in the direction of improving living conditions, rather than to waste money on a program of operating a Government steamship line to provide them with supplies which might better be delivered through private enterprise.

Mr. GRUENING. I think it is at least as important to take care of our own population as it is to take care of the needy populations in 105 other areas of the world. There is no alternative unless we intend to deprive many of our own people of the essentials of life. This appropriation is not for a luxury; it is not socialistic. Nothing has changed in this respect since Alaska became a State. These American citizens are dependent on the Federal Government for supplies, for education, and health services. The situation has not changed. Neither has it changed in certain other States, as in the Senator's State of South Dakota, where there are Indian communities. They are still, in many respects, the wards of the Federal Government, and the responsibility of the Federal Government still persists.

Mr. MUNDT. I of course agree that we have a greater responsibility for our own people than we have for people in other countries, but I certainly hope that the multibillion-dollar venture in which we are engaged to provide economic assistance to other countries is not directed to the dismal goal toward which this venture is directed, which simply proposes to keep the people as they are and where they are, under conditions in which we find them, forever.

If all we are doing in the multibillion-dollar foreign aid program in other countries is to continue to enable those people to live where they are and under the same conditions in which they have always lived, with no possibility for im-

provement, then we can understand why so much of our foreign aid effort does not result in strengthening the forces of the free world.

Mr. GRUENING. The improved ship is designed to improve the conditions of those people, not merely to keep them as they are. This is a legitimate proposal. It is really an economical one, because the ship will be a much better one, having a higher cargo capacity, three times the cold storage capacity, which will enable the Bureau of Indian Affairs to render a service which it can no longer continue to render properly with the inadequate ship it now has.

Mr. MUNDT. I speak out of sympathy for the Indians and the other Alaskan aborigines. I believe the committee's position should be brought before the Senate, because we have met and considered the present proposal and voted unanimously against this socialistic venture. If the Senate votes for this proposal, it will be voting for a program which will last for many years to come. If we do fail to adopt it, by a negative vote on the Gruening amendment, we shall certainly declare it to be the sense of the Senate that we are opposed to continuing into perpetuity this kind of socialistic procedure.

Mr. President, I speak with some knowledge and experience from the standpoint of what can be done by private transportation in an area like this when Government competition has been removed.

For many years the Missouri River Federal Barge Line ran up and down the lower reaches of the Missouri River, which crosses South Dakota diagonally. The line was run by a great and colorful steamboat captain, Capt. Robert Ingersoll. I sat on the Committee on Appropriations for years, along with many of my colleagues, when the representatives of the barge line came before us and said, "We need more money, because the Missouri River Federal Barge Line is losing money. We cannot operate economically. The Federal Barge Line service is needed. There is no other line to serve that region." So the committee would appropriate money from the general funds for the losses of the Missouri River Federal Barge Line.

Came the happy day when President Eisenhower said we ought to do away with some of the socialistic enterprises in America. He had a list of some 2,400 of them. They had grown up like Topsy. Here we had one; there we had another. President Eisenhower said, "If we believe in private enterprise, why not practice it?" Was there any better reason for having a barge line owned by the Federal Government than there was a bus line, or an air line, or a railroad, owned by the Federal Government?

The Missouri River Federal Barge Line was one of the first desocialization projects of the Eisenhower administration. There was some complaint up and down the river. It was thought that taking away a service was a step backward But, Mr. President, what happened? Capt. Robert Ingersoll, the same man who had operated the old Missouri River Federal Barge Line for the Government, organized a little company which bought the barge line. Today they are operating the line, they are making more frequent trips, and providing more adequate service. The line is operating at a profit, and is paying tax money into the Federal Treasury of the country to help finance the Federal Government.

I can think of no better illustration of what it will mean to the country if Congress will determine to practice its preachments about private enterprise. Let us give it a chance.

Private ship lines are operating in Alaska. The Senator from Alaska is quite correct when he says that they do not operate into every port. They operate against Government competition. But if we believe in private enterprise, let us give them a fair opportunity to operate. I submit that the same experience will be found in Alaska that was found in South Dakota. The private shipping line will continue to make a profit and will deliver the goods where the goods are needed.

If it is the responsibility of the Federal Government to pay the freight, it will pay the freight, so that the private ship line can deliver merchandise.

I do not wish to labor the point. I think the Senate today ought to declare itself by a yea-and-nay vote and say, "We believe in private enterprise. Let us give it a chance."

On the other hand, we can say, "Let us socialize the ship line from Seattle to Alaska and tell private enterprise, 'You are out. We are going to try a little experiment in socialized shipping.' "

Mr. LAUSCHE. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. LAUSCHE. Do I correctly understand that when the bill came from the House, it contained the provision which the Senator from Alaska is now attempting to place in the bill?

Mr. MUNDT. The Senator from Ohio is exactly correct. To be completely fair, I shall place in the RECORD at this point the testimony taken in the House of Representatives. Note the size of the hearings. The volume contains more than 1,450 pages. This is the amount of attention which the proponents of the amendment received in the House—less than a single page of testimony.

Mr. KIRWAN, chairman of the subcommittee, raised the question:

I see that $375,000 is proposed to activate and outfit the ship *Emory Victory* to replace the *North Star* to ship cargo from Seattle to ports in Alaska. Can you give us a litle explanation on that?

They did that, and they certainly emphasized the word "little." I shall read all of it now; it will not take long.

Mr. Massey, in testifying for the Bureau of Indian Affairs, gave the testimony; and I now read it from the committee hearing:

REPLACEMENT OF THE SHIP "NORTH STAR"

Mr. KIRWAN. I see that $375,000 is proposed to activate and outfit the ship *Emory Victory* to replace the *North Star* to ship cargo from Seattle to ports in Alaska.

Can you give us a little explanation on that?

Mr. MASSEY. Yes, sir. The Bureau has operated a vessel for transportation in Alaska for some years. This *Emory Victory* is a larger vessel than we now operate. We will get it from the Maritime Commission. We will only pay for the demothballing and putting it in operating condition. We will, of course, name it the *North Star,* because it has been the *North Star* for many years.

We have many stations where commercial vessels do not go in. We carry cargo into those in lesser tonnage than the commercial vessel would. We have to have our timing just right because of the weather and the ice conditions, and then, of course, we are thinking of the cost. At some stations we do both. We go in, and commercial vessels go in.

Mr. President, I think I should repeat that sentence:

We go in and commercial vessels go in. We will have the commercial vessels carry the cargo that they can, and we will carry a lesser amount. Not very many of the stations that we serve, however, have a regular port of call by the commercial vessels.

That is the total testimony on the basis of which it is proposed that the U.S. Congress—now that Alaska is a State—invest $375,000 in a ship to be operated by the U.S. Government under a concept as completely socialistic as that under which any Russian vessel now operates on the Volga River. In the past, this service has been operated at a net loss to the U.S. Government of $500,000 a year; and it is presumed that the operation of the larger vessel would result in a larger deficit.

Mr. LAUSCHE. Mr. President, will the Senator from South Dakota differentiate between the former situation and the present one? In other words, will he state how it is believed that such services are not justified now that Alaska is a State, although the case was different when Alaska was a Territory?

Mr. MUNDT. Yes, I can do that. If the Senator from Ohio had said they were justified when Alaska was a Territory, his question would have been different, of course.

But today the Federal Government no longer has the responsibilities for Alaska that it had when Alaska was a Territory, because Alaska as a Territory did not have the control over its taxes and budgets that it now has, as a State. Traditionally, the Federal Government has provided, from the Federal Treasury, funds for almost all manner of territorial services, one of which is still operating in Alaska, and it is one which I have supported in the past as a member of the Appropriations Committee. I refer to the Alaskan Railroad, which still is operating, and still is operated at the expense of the Federal Government, I believe.

The difference is that if the Federal Government now undertakes this steamship shipping service, on the basis of favorable action by the Congress—in the case of the Senate, favorable action on the basis of a rollcall vote, the service will be extended on the basis that the Congress is in favor of this socialistic approach. Thus we will be establishing a pattern which will not be confined to States such as Alaska and Hawaii, which recently were Territories, but will be

equally applicable to, and subject to appeals and persuasions on the part of, all the other States. For instance, I say to the Senator from Ohio that one could build a strong case for providing a Government-owned and Government-operated bus line into the Indian reservations of New Mexico and Arizona, or one could build a very good argument in favor of the construction, at the expense of the Federal Government, of a railroad spur into certain isolated counties of Idaho or Montana, if we are to proceed on the theory that the Federal Government has the responsibility to provide for such construction, at the expense of the Federal Government, for the benefit of the 50 States, in order to meet problems affecting their citizens—for instance, to do so by providing, at the expense of the Federal Government, a socialized system of transportation lines.

Mr. LAUSCHE. The Senator from South Dakota takes the position, does he, that if this amendment is adopted and is enacted into law, Congress will be providing a service to a State——

Mr. MUNDT. To citizens within a State—or to a State, if the Senator prefers.

Mr. LAUSCHE. A service to the State of Alaska?

Mr. MUNDT. Very good; I accept that.

Mr. LAUSCHE. And especially, and in an isolated way, services which are not similarly provided to other States?

Mr. MUNDT. That is true. But that is not the basic reason why I oppose it. The basic reason why I oppose it is that I happen to believe in private enterprise; and I see no reason in the world why the taxpayers generally should be taxed in order to put a Government-operated service into competition with established private shipping lines in Alaska.

The second reason why I oppose it is that I believe we would be frittering away over half a million dollars a year in order to perpetuate an unsavory and unhappy and unhealthful situation in which these aborigines live. I would be in favor of voting for twice that amount in order to help provide them with education and means of earning a livelihood for themselves—in other words, to help solve that problem.

In our committee we decided that we had better invest the funds in attempts to cure the problem, rather than invest the funds in attempts to perpetuate the problem. Of course we are only the Senate Appropriations Committee; and the Senate as a whole and the House of Representatives can overrule us, if they wish to do so.

Mr. LAUSCHE. Mr. President, will the Senator from South Dakota yield again to me?

Mr. MUNDT. Certainly.

Mr. LAUSCHE. In the past, declarations which were made on this floor were to the effect that with the acquisition of statehood would come surrender of many of the advantages which came to Alaska as a Territory.

Mr. MUNDT. The Senator from Ohio is correct.

Mr. LAUSCHE. My query is directed to the proposition that at this time we may be faced pointedly with the necessity of determining whether it will be possible to have statehood and the Territorial benefits, both at the same time.

Mr. MUNDT. I think that factor is involved.

Mr. LAUSCHE. Yes.

Mr. MUNDT. And I recognize that problem, as I have said; and I recognize that Alaska is a new State, and is sparsely settled. Time after time after time in the Appropriations Committee I have voted most generously—as I am sure both the Senators from Alaska will agree—in favor of providing for Alaska studies and transitional services which are necessary. But I do not propose now to vote to provide a socialistic enterprise which will continue ad infinitum and will not provide for anything more than government service in connection with maintaining a bad situation in a bad way, when, it seems to me, the money might better be used in order to solve a problem which exists there.

I quite agree with the argument that the Indians and the Eskimos there present a problem which is not to be solved solely by Alaska—any more than it would be correct to argue that the problems of the Sioux Indians are to be solved solely by one or two States. But I wish to be sure that the Congress does not take action of such a sort that the Bureau of Indian Affairs will do nothing except provide transportation to the Indians where they now are located, under the most unhappy conditions—those under which they now live.

Mr. LAUSCHE. Mr. President the Senator from South Dakota is a member of the Appropriations Committee; and I wish to ask him how the committee voted on this matter.

Mr. MUNDT. I think the Appropriations Committee was unanimous in voting to delete the appropriation. I stand ready to be corrected, if I am in error; there may have been one or two votes contrary to that position. But I think the committee was unanimous.

Mr. BARTLETT. Mr. President, I gladly agree that the Senator from South Dakota has been most helpful over the years in providing appropriations for the natives of Alaska—that is to say, the Indians, the Eskimos, and the Aleuts. But I cannot agree with him for a moment that what we are discussing here is a choice between socialism and private enterprise. The contrary is the case, and it is the case because private shipping has never been prepared to put into the small ports for the relatively small amounts of cargo that are available.

All of this started 39 years ago. It started in 1922. I submit that that administration was not socialistic, and the proposal to carry forward this activity from 1961 is no more socialistic. It is not, as has been said, that this proposal takes the cream of business from the private carrier and leaves nothing for him so that he may operate with profit to these ports. The fact of the matter is that now there are no private carrier services to 90 of the 98 ports served by the *North Star*. It is also true that the *North Star* delivers very small amounts of freight to each of those ports.

In this connection, it should be stated that the Alaska Steamship Co., the principal maritime carrier of Alaska, in a letter dated October 26, 1960, mentioned the minimum tonnage for ports of discharge as being 200 tons. This minimum has increased 100 tons since 1954. That is an essential fact in all of this, because the fact is that the private carrier will not go in for these lesser tonnages which are landed at so many ports.

It is true that today the Bureau of Indian Affairs gives the private carrier freight when this can be done. An instance of it is the fact that the Alaska Steamship Co. freighters transported last year 444 tons to the port of St. Michael, while only 43 tons were carried by the *North Star*. But, Mr. President, even if all this freight could be carried by private carrier, there are figures to indicate that the charge to the Government would be much higher than it now is.

In that connection, I should like to cite a few figures which had been made available to me by the Department of the Interior in relation to some ports served by both the Government ship and the private carrier. They revealed that in every instance the actual charge to the Government is much higher by private shipping, ranging from $4.66 a ton to $67.26 a ton.

This issue was raised again this year during hearings held by the Committee on Commerce in respect to offshore shipping. A witness from the Alaska Steamship Co. injected the issue again. As a result, the committee solicited the views of Secretary of the Interior Udall. Secretary Udall, in a letter to Chairman MAGNUSON dated April 15, 1961, said that the conclusion reached, after a study had been made in 1955, that continuation of the *North Star* service is essential, is maintained. I ask unanimous consent to include the letter in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 15, 1961.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR WARREN: I was pleased to receive your letter of March 17, 1961. If the information given in this letter regarding the operations of the Bureau of Indian Affairs' vessel, the *North Star*, is not sufficient for your purposes let me know just what additional data is desired and I shall see that it reaches you without delay.

The request made by the representative of the Alaska Steamship Co. for a study of the *North Star's* operation to determine whether a private carrier could provide the services more economically than the Government is one that is under constant review. The most detailed study of the *North Star's* operation was made in January 1955 by Mr. A. R. Munger, of Seattle, Wash. Since the

conditions under which the vessel currently operates have not changed appreciably since Mr. Munger's report was made, it is believed that little would be gained by undertaking a new study at this time.

The Bureau of Indian Affairs, as you know, operates the *North Star* because it must transport personnel and cargo to a number of the smaller and more isolated ports of Alaska, which are not served by commercial vessels. One of the objectives of the Munger survey was to determine whether practical alternative means of service by private enterprise was available and, if so, at what comparative cost. In seeking to determine if such service was available, officials of the Alaska Steamship Co., as well as those of the local transportation companies in Alaska, were consulted. However, it was not possible to make a direct comparison of freight rates because the unique services which the *North Star* performs for the natives could not be reduced to dollars and cents. As a result of Mr. Munger's survey it was concluded that the *North Star* would not be retired from service until it has been shown conclusively that all the Alaska communities of consequence are adequately served and that the cost of similar services by private enterprise would not be overly burdensome to the natives. To date, it has not been possible to work out an arrangement which would provide either the unique or the commercial services for the smaller, more isolated ports.

Recently the Bureau of Indian Affairs made a study of the transportation needs of the Federal operations in Alaska served by the *North Star*. This study, which was based on the 1960 shipping season, revealed that a vessel with a greater capacity was required. Enclosed are tables I through XI, giving the data you requested as to the vessel's itinerary, cost of operation, et cetera, together with as much information as is available on comparable carrier rates.

Since July 1955 the *North Star* has been operated on an enterprise basis, which requires that the entire operation cost be paid from revenue realized from the transportation of freight. The charges for the freight carried and the services performed are billed at rates as provided in part 254, title 25 of the Code of Federal Regulations. The *North Star* makes two trips each season between Seattle, Wash., and 98 ports of call in Alaska, all of which must be serviced each year. At those very few points where both the *North Star* and the commercial carrier serve, other than Kotzebue and Nome, all of the freight that the commercial carrier can handle or that can be acquired in time to meet the commercial sailing schedule is shipped by the commercial carrier.

Sincerely yours,

Secretary of the Interior.
STEWART L. UDALL,

Mr. BARTLETT. Secretary Udall stated that every effort would be made to divert this shipping to private carrier as soon as that could be done. As soon as the private carrier can serve the ports now served by the *North Star*, the Interior Department expresses willingness to get out of the shipping business.

I would much prefer to be in a situation where it would not be necessary for me to urge a Government subsidy of an enterprise of this kind, but I think there is no alternative. I think it is clear on the record that, should the Government ship go out of service, these essential goods will not be shipped.

I think there is no connection between this issue and achievement of statehood by Alaska, because the Government owes an obligation to Indians wherever they are found in the United States, whatever the political status of the particular area is. And so it is in the case of Alaska.

Since 1955 the expenses incurred by the *North Star* have been reimbursable by the measurement of a strict accounting system. It will not do to eliminate this service and tell these Eskimo people that if they cannot get freight, if they cannot get the essentials of life, if in some cases they cannot get fuel, they should move elsewhere, any more than our Government should tell the people of New York that they would have to relocate themselves. These people have lived at these places as my colleague from Alaska has said, since time immemorial, and they have a right to live there. It is their home. It would be entirely unfair to suggest to them that they move themselves to a different kind of life, in a different kind of economy, without more adequate training.

I hope the amendment will prevail.

Mr. GRUENING. Mr. President, I merely wish to conclude by stating to the Senator from South Dakota that I share his view that the Government should not compete with private business. I agree with him fully in that respect. However, there are special conditions here, which have also been pointed out by my colleague, which render Government operation essential; the alternative would be simply to deprive these American citizens of Alaska of the necessities of life, or compel them to pay for higher costs. Competition with private enterprise is not at issue here.

Mr. President, I ask unanimous consent that a letter from Secretary Udall on this matter, which I received today, be printed in the RECORD at this point, and I yield the floor.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, *June 6, 1961.*

Hon. ERNEST GRUENING,
U.S. Senate,
Washington, D.C.

DEAR ERNEST: In reference to your inquiry concerning an amendment to the Interior appropriations bill allowing for an appropriation for an *Emory Victory* class carrier. It is clear that $375,000 will be required for reactivation costs of a larger vessel eliminated by the Senate Appropriations Committee from Interior appropriations for operation of its present *North Star*. Because of its age and the obsolescence of much of its equipment, operation and maintenance costs for the present vessel are increasing sharply each year. For the two trips made by the *North Star* in 1959 a total of 12,189 tons of freight was hauled to Alaska. This represents an overload of 1,589 tons as the ship's rated capacity is only 5,300 tons. Despite overloading the vessel to this extent the Bureau had to decline numerous requests for shipping cargo and bulk oil. For the 1960 shipping season the *North Star* hauled 14,130 tons. It is anticipated that by 1964 nearly 18,000 tons of cargo would have to be hauled to satisfy requirements at the ports of call of the present *North Star*. It is currently estimated that the ports served by the current *North Star* require approximately 1 million gallons of bulk fuel oil. The present *North Star* has a capacity of approximately 200,000 gallons. If the Bureau is permitted to obtain a larger vessel of the *Emory Victory* class which is rated at approximately 11,000 tons it would be possible to supply the Government's needs at the ports of call of the *North Star* as well as provide space for freight for missionaries and other persons who are not able at the present time to receive freight by surface carrier. In addition a vessel of the *Emory Victory* class has a bulk oil carrying capacity of approximately 400,000 gallons which would more nearly approach needs and would eliminate the need for carrying oil in 55-gallon drums as deck cargo as is currently being done contrary to maritime regulations.

We are convinced that at the present time, commercial carrier is not in a position to provide the service to the villages and natives of Alaska now rendered by the *North Star*. Based on available commercial rates it has been determined that commercial carrier costs would exceed *North Star* rates by anywhere from $4.56 a ton to $67.26 a ton with the average being between $30 and $35 a ton. Bulk oil delivered by the *North Star* to Point Barrow, Alaska, can be delivered at a cost, including purchase and transportation, of 29 cents a gallon. The same delivered to Point Barrow, Alaska, from Kotzebue of commercial barge would cost 40 cents a gallon. The economy of the native villages would be very adversely affected if the native stores on which they depend for supplies and materials were required to pay the much higher costs of commercial shipping. The *North Star* operation provides another service which has a decided effect upon the economy of certain villages in Alaska in that it loads on reindeer meat from Nunibak Island and sells it to villages at ports of call coming south from Nunibak. This operation for the fiscal year 1960 resulted in a sale of reindeer meat amounting to approximately $40,000. It is anticipated that with larger refrigerated carrier capacity more than twice this amount of meat could be hauled and sold. A ship of the *Emory Victory* class has this capacity. No commercial vessel could perform this service since it is contrary to all union regulations. For these reasons it is felt that every effort should be made to have the $375,000 reinstated in the Interior appropriation bill.

I hope the above will support and make clear why the Department supports your amendment dealing with an *Emory Victory* class ship.

With best personal regards, I am,
Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

Mr. MUNDT. Mr. President, I shall be very brief, because I do not desire to labor this point; but I think we are writing a bit of American history today. This is, after all, a precedent forming case, a laboratory exhibit, of what we confront in the National Congress when we try to stop a socialistic arrangement. I remember the arguments that were made about the rope factory in Boston, about the synthetic rubber plants, about the Missouri River Federal barge line, about the Government coffee roasting plant in Florida. It is not easy to try to discourage or discontinue socialistic ventures. I would not raise my voice if this were a matter of continuing it another year because it was something which should be done temporarily; but we are determining national policy, because we are either going to proceed with this kind of socialistic program or provide other ways of meeting the problem.

I think my friend inadvertently suggested a very realistic way when he suggested that this group of aborigines provides defense services. If they do, they come clearly within the requirements of the defense support of America, and for these one or two trips a year, it might be far better and cheaper to use our naval facilities, which ply up and down this area anyhow, to provide the food and merchandise for these "soldiers" of our economy who are employed in our defense effort, than to start on a new program and spend $500,000 a year, year after year after year, because we decide to have the *North Star*, with its sentimental name, plying up and down the harbors of Alaska, under the operation of this socialistic formula.

I do not think we should do that. I think the time has come when there are so many immediate demands upon the taxpayers' dollars that we ought to be serious about throwing away $500,000 a year which we can save. If we save it, I shall join my friends from Alaska in trying to find some program to help solve the problem this particular service would help to perpetuate.

There is one other thing of importance. There is a difference between the rates, as pointed out by the senior Senator from Alaska. It is true the commercial lines charge more for the tonnage than is charged by the *North Star*. Mr. President, that is the oldest argument in the world for advocacy of a socialistic enterprise. The service or sales rate charged by an socialistic enterprise is always less than that charged by private enterprise, because the socialistic enterprise pays no taxes and has none of the problems which private enterprise must face.

It is not simply the service charge but the end cost of delivered service, the total charge, which we should consider. I am convinced that, when we consider the differential between what it would be necessary to pay the Alaska Steamship Co. or any other private company at commercial rates and what would be paid at the *North Star* rate, multiplying by the number of units of merchandise to be transported, we could not load the ship heavily enough on those two lonesome trips a year to squander the $500 million we are asked to squander each year. We have to take into consideration both those factors.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. GRUENING. The Senator spoke of a $500 million expenditure.

Mr. MUNDT. I am sorry.

Mr. GRUENING. The Senator must have been thinking of foreign aid.

Mr. MUNDT. I stand corrected. It is $500,000. I was thinking of foreign aid, perhaps because this reminds me of some of the things we do in the foreign aid program.

Mr. President, I do not wish to have my remarks construed as meaning in any way that we should make this an Alaskan problem. It is an American problem. We must solve it with the resources of America.

I hope we shall not solve the problem by overriding the Senate Appropriations Committee, which at long last has struck a blow for private enterprise, by almost a unanimous vote. I think it was a unanimous vote by which the committee decided not to start this new socialistic steam line. By supporting the committee we can save the initial cost and we can save the annual cost, and also we shall be able to reinforce a great American principle of private enterprise.

I am sure we can find a way to do more for the Eskimos and Indians than simply to feed them and keep them alive under the present circumstances.

I urge that the Senate support the Committee on Appropriations.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alaska [Mr. GRUENING]. On this question the yeas and nays have been ordered.

Mr. LAUSCHE. Mr. President, I should like to ask the Senator from Alaska a question.

I recall that we had the subject of the *North Star* before the Committee on Commerce. Was it before the committee in the form of a bill, or was it discussed incidental to some other item?

Mr. BARTLETT. It was incidental, I inform my good friend from Ohio, for there was a projection of the matter before the committee by an official of the Alaska Steamship Co., who asked us to look into it. This was in connection with the hearings on offshore shipping. This the chairman of the committee [Mr. MAGNUSON] did by way of a letter to the Secretary of the Interior. Secretary Udall responded—I have placed that letter in the RECORD—saying, in essence, "We wish we could get out of this. We do not see our way clear to do so under present circumstances and conditions."

Mr. LAUSCHE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alaska [Mr. GRUENING]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Tennessee [Mr. GORE] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hamsphire [Mr. BRIDGES]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Minnesota would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Arkansas [Mr. FULBRIGHT] is paired with the Senator from Tennessee [Mr. GORE]. If present and voting, the Senator from Arkansas would vote "nay," and the Senator from Tennessee would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate on official business.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON] are absent on official business.

The Senator from Kentucky [Mr. COOPER] is necessarily absent.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from Kentucky [Mr. COOPER] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Kentucky would vote "nay," and the Senator from Minnesota would vote "yea."

The result was announced—yeas 48, nays 43, as follows:

[No. 59]

YEAS—48

Anderson	Hart	Metcalf
Bartlett	Hartke	Monroney
Bible	Hickey	Morse
Burdick	Hill	Moss
Byrd, Va.	Humphrey	Muskie
Byrd, W. Va.	Jackson	Neuberger
Cannon	Johnston	Pastore
Carroll	Jordan	Pell
Church	Kefauver	Randolph
Clark	Kerr	Smith, Mass.
Dodd	Long, Mo.	Sparkman
Douglas	Long, Hawaii	Symington
Eastland	Long, La.	Talmadge
Engle	Mansfield	Williams, N.J.
Ervin	McGee	Yarborough
Gruening	McNamara	Young, Ohio

NAYS—43

Allott	Goldwater	Proxmire
Beall	Hayden	Robertson
Bennett	Hickenlooper	Russell
Boggs	Holland	Saltonstall
Bush	Hruska	Schoeppel
Butler	Javits	Scott
Capehart	Keating	Smathers
Case, N.J.	Kuchel	Smith, Maine
Case, S. Dak.	Lausche	Stennis
Cotton	Magnuson	Thurmond
Curtis	McClellan	Wiley
Dirksen	Miller	Williams, Del.
Dworshak	Morton	Young, N. Dak.
Ellender	Mundt	
Fong	Prouty	

NOT VOTING—9

Aiken	Carlson	Fulbright
Blakley	Chavez	Gore
Bridges	Cooper	McCarthy

So Mr. GRUENING's amendment was agreed to.

Mr. GRUENING. Madam President, I move to reconsider the vote by which the amendment was adopted.

Mr. HUMPHREY. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Madam President, I call up my amendment labeled "G" and ask that it be stated.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 30, line 17, strike out "$27,313,000" and in-

sert in lieu thereof "$27,613,000, of which $300,000 shall be for preconstruction planning for additional laboratory facilities at the Forest Products Laboratory".

Mr. PROXMIRE. Madam President, the amendment would restore $300,000 to the appropriation bill. This sum was recommended by the Forest Service and approved by the Bureau of the Budget and approved by the administration. It has very great merit. The Forest Products Laboratory at Madison, Wis., has done excellent work. All that I find necessary to say is that the chairman of the committee, the distinguished Senator from Arizona [Mr. HAYDEN] has said that the laboratory has returned as much as $40 for every $1 that it has spent in the past. We believe it will continue that program of giving us back our money many times over. In view of the merit of the proposal and its distinguished support, rather than argue in behalf of it, I ask the distinguished chairman of the committee if he will consider taking the amendment to conference.

Mr. HAYDEN. The committee will take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HRUSKA. Madam President, I send an amendment to the desk and ask that it be stated and considered.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On line 2, page 25, under the heading "Construction" it is proposed to delete "$5,350,650" and insert in lieu thereof "$5,738,000".

Mr. HRUSKA. Madam President, the amendment would lift a restriction which the Senate Appropriations Committee has imposed on the expenditure of requested construction funds to meet conservation needs of the Izembek and Arctic National Wildlife Ranges in Alaska. This item was contained in the Eisenhower and in the Kennedy budgets. The House committee approved this amount and the House bill contains it. The amendment would restore the $387,350 that was deleted for essential work in those outstanding areas. This is the same amount that has been approved by the House.

As a member of the Migratory Bird Conservation Commission, I have the opportunity to obtain firsthand knowledge of the requirements of the Department of the Interior to meet this Nation's responsibilities to our people and to Canada and Mexico under the terms of the Migratory Bird Treaties. We face a continuing challenge in preserving and restoring, where necessary, the specialized wetlands habitat that is so vital to the welfare of migratory waterfowl. This fact is recognized by the Commission, many members of this body, and the Nation's sportsmen. Only by aggressive action and a positive program will we be able to keep faith with the millions of people in this country who enjoy and benefit from being able to see and to hunt ducks, geese, and other migratory birds.

The 415,000-acre Izembek National Wildlife Range was created from public lands by former Interior Secretary Fred A. Seaton in 1960. Its establishment climaxed an effort of nearly two decades to dedicate that important area for wildlife purposes. Situated at the base of the Aleutian Island chain on the north side of the Alaska Peninsula, the Izembek Wildlife Range is a migration gathering point for hundreds of thousands of ducks and geese. The migratory waterfowl gather there in the spring before they disperse across the nesting grounds. They return again in the fall with their young prior to beginning the long southward migration that takes most of them into most of the Western States and Mexico. Dense growths of eel grass in Izembek and adjacent bays and lagoons, and tundra berries and grasses provide food for the migrants each spring and fall. The birds that stop and rest there contribute to the pleasure of naturalists and sportsmen throughout the length of the Pacific flyway.

I might say that the Pacific flyway extends from the western line of the State of Nebraska all the way to the Pacific coast and north and south from border to border. My colleagues should realize that this 415,000-acre area, which was created at no cost to the Federal Government, contributes enjoyment and healthful outdoor recreation to millions of people in Oregon, Washington, and California, as well as to the residents of the interior Western States. I have an idea that even at the famous Fleming duck shooting lodge in Cheyenne County, Nebr., perhaps the Senator from Nebraska has taken a shot at some of the ducks that started from that area. I do not guarantee that I hit any of them, but I am sure I have shot at them.

Of the $387,350 that I am hopeful the Senate will approve, the U.S. Fish and Wildlife Service has asked for $206,000 so that construction could begin on necessary headquarters buildings at the Izembek Wildlife Range. I want to make clear that the Service intends that the Izembek Wildlife Range facilities would provide headquarters for its entire patrol forces that work along the Aleutian chain.

Mr. MUNDT. Madam President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. MUNDT. The Senator is to be congratulated for making his persuasive appeal about a problem which is growing greater in this country every year. With the development of high-powered ammunition and better guns and better transportation, the problem of protecting the migratory waterfoul population against the hunter and continuing hunting into each coming generation gets more serious every year.

I am glad the Senator has brought this item to the attention of the Senate. The committee was led to believe that there was a controversy about it in the State of Alaska. Since the House had included the item and there was a controversy about it in Alaska, we decided to delete it. However, I think it would be appropriate for the Senator to insist on a vote by the Senate, so as to have the mind of the full Senate registered in this connection, because the conferees—and I speak as one of them—like to have the sentiment of the Senate supporting their action or rejecting their action, so that they will go to conference fully advised.

This is a subject of great concern in every State which has a sportsman with a gun and a hunting license. I think that includes most of the States of the Union. It is a problem about which there is some division of opinion in Alaska. I think the Alaska Senators should be heard on this question. However, I hope the Senator from Nebraska will not simply offer his amendment, make his suggestion, and then drop it, but will press for a vote by the Senate, so that the attitude of this body can be ascertained before we go to conference. I am very much disposed to support his position.

Mr. HRUSKA. I thank the Senator from South Dakota.

Madam President, the funds would thus accomplish a dual purpose. They would enable the Service to initiate needed management and protection activities at the Izembek area and also to provide a headquarters facility for the important Aleutian Island patrol force.

The second part of the funds that were deleted—$181,350—would enable the Fish and Wildlife Service to discharge the responsibilities with which it was vested by the creation of the Arctic National Wildlife Range in northeastern Alaska by Secretary Seaton. Approximately 8.8 million acres in area, the Arctic Range straddles the spectacular Brooks Mountain Range. It is bounded by the Yukon Territory on the east and the Arctic Ocean on the north. Waterfowl nest extensively along the Arctic slope of the range, and grizzly bears, Dall sheep, wolverine, and great caribou herds are among its large game. This famous area also was created out of public lands at no cost to the Federal Government. The Canadians are considering the withdrawal of an equally large area on their side of the boundary so that the caribou herds, which are migratory in nature and move freely across the international boundary, will have assurance of sufficient habitat for their well-being.

I believe Congress should take action as early as possible for the purpose of developing a fish and wildlife program for the purpose of cooperating with our neighbor to the north.

With the $181,350 it has requested for work in the Arctic Wildlife Range, the Fish and Wildlife Service plans to establish shelter areas for personnel on both the north and south sides of the range, construct a warehouse at Fairbanks, and make provision for operation and maintenance activities in the area. The need for these funds is imperative. Two geological survey parties already have permits to make mineral explorations inside the range, and the Service has pending applications for two additional parties. The Service must have the requested funds if it is to make certain that activities within the range do not impair the purposes for which it has been established. I repeat, Madam President, based upon my experience as a member

of the Migratory Bird Conservation Commission, that proper management of these two wildlife ranges will contribute greatly to the fulfillment of this country's responsibility to the people in fostering migratory bird resources. Also, it will enable this Nation to fulfill those obligations which we are committed to fulfill in our treaties with both Mexico and Canada.

The provision of the requested $387,350, already approved by the House, means that immeasurable benefits will accrue to these important wildlife resources and to the millions of our people who both enjoy and use them. I urge that the amendment be adopted.

Mr. HAYDEN. Madam President, the Senator from Nebraska has made an interesting argument. If it had been made before the committee, the action of the committee might have been different. But when we were told that the Governor of Alaska and the Legislature of Alaska were opposed to the proposal, naturally we struck out the language.

I think the committee ought to be consistent. We will have a chance to look into the matter carefully in conference; and if the House should agree with us, it will be only a year before there will be another bill. I do not believe the duck population of the United States will suffer very much in 1 year.

There is merit in what the Senator says, but we did not know about it at the time the item was considered. I think it would be much better to handle it in the way the committee has, and then we can develop all the facts.

Mr. HRUSKA. I am certain the Senator from Arizona has much more experience—and authority, as well—in this field. I recognize the opposition which comes from the State of Alaska. I read the testimony.

Mr. HAYDEN. We will have to find out why Alaska has objected. There must be some reason or basis for it.

On the other hand, the Fish and Wildlife Service may have a much better argument, but it was not presented before our committee. We had no opportunity to look into it. We decided, in this instance, that we would follow the wishes of the State, at least at this time. I think that is the way to proceed.

Mr. HRUSKA. Perhaps so; but notwithstanding the objection and the testimony on the part of the Senators from Alaska, Alaska is now one of the 50 members of the Union, and it seems to me that in some of the obligations which we owe, Alaska also should try to help us discharge them, so that while we can give due weight to the objections and testimony they gave, the program having been considered by the Eisenhower administration and by the Kennedy administration, through the Bureau of the Budget, and having been approved by the House Appropriations Committee and the House itself, I think it would lie well if they would concur.

Mr. HAYDEN. We will find out about that in conference. There will not be anything in conference except the amendment. By the Senate's adopting the committee amendment, the item will be in conference. That is the way I think we ought to proceed.

Mr. MANSFIELD. Madam President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. MANSFIELD. Would the distinguished Senator from Arizona, the chairman of the Committee on Appropriations, give assurance to the distinguished Senator from Nebraska that this item will not be forgotten, but will be revived in conference, so that the reasons for the actions taken by the House and Senate separately can be considered in detail and a decision reached accordingly?

Mr. HAYDEN. I think the position of the Senate ought to be sustained in view of the representations made by the State of Alaska.

Mr. MANSFIELD. But with the assurance that the subject will be considered in conference?

Mr. HAYDEN. We will give assurance that it will be considered, and we will be willing to have representatives of the Fish and Wildlife Service appear before the conference.

Mr. HRUSKA. Madam President, I am greatly heartened by the assurance given by the Senator from Arizona, and I am grateful to the Senator from Montana for his suggestion. If what he states shall be done, I shall be happy to withdraw the amendment and have the matter go to conference, with the assurance given by the chairman of the committee that he will press the subject for some further exploration and adjudication, if one can be had.

Mr. HAYDEN. We owe that to everyone concerned.

Mr. HRUSKA. Very well.

Madam President, I ask unanimous consent that I may withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Nebraska is withdrawn.

Mr. BEALL. Madam President, I am most pleased that the Senate Appropriations Committee has included in H.R. 6345 funds for the purposes set forth in the Capper-Cramton Act.

Two projects are concerned:

First, the acquisition of stream-valley parks in Montgomery County, Md. Under the act, the Federal Government provides one-third of the cost. The local authorities must provide the remaining two-thirds. Montgomery County is prepared to contribute its share which amounts to $1,200,000.

The second project involves the construction of the George Washington Memorial Parkway in Prince Georges County, Md. This program requires a 50–50 participation by the Federal Government and the county. Prince Georges County is ready to match the $1,500,000 included in this bill with a like amount of its own funds.

Both of these programs will go far to enhance the devolpment of the Washington metropolitan area.

I wish to thank the members of the committee for this action which is in line with the worthy goals intended by the Capper-Cramton Act. I extend special thanks to the chairman of the Appropriations Committee who has always been interested in the orderly development of our Nation's Capital and its surrounding areas.

WICHITA MOUNTAINS WILDLIFE REFUGE ROAD

Mr. MONRONEY. Madam President, one small but very important item in the Interior Appropriations bill as reported to the Senate is for the construction of an all-weather road approximately 4 miles long to provide a western entrance within the Wichita Mountains Wildlife Refuge. I appreciate very much the attention the committee has given this item to make more accessible this refuge, which more than a million visitors seek out each year to observe the big game herds and other wild animals, as well as the conservation practices preserving native grasses and trees. Actually, a much larger program of road building and repair, something in the nature of $1,500,000, is needed, but the urgency is for this item of $135,000 which will enable visitors to make a loop from U.S. Highway 62 north and west to State Highway 54 and back onto Highway 62. I hope the House can be persuaded to accept this 4-mile road also.

In this connection, I ask unanimous consent to have printed with my remarks a communication I have received from the State of Oklahoma, a copy of Enrolled House Resolution No. 583 from the State house of representatives, urging the road referred to within the refuge and also calling on the State to improve other roads leading to the refuge.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION 583

Resolution requesting Federal and State authorities to plan, program, and construct hard-surfaced access roads to the western and Indiahoma entrances of the Wichita Mountains Wildlife Refuge; directing that copies of resolution be sent to appropriate persons

Whereas the Wichita Mountains Wildlife Refuge located in southwestern Oklahoma, is an outstanding national tourist attraction, a scenic wonderland of 59,099 acres, annually accommodating over 700,000 visitors; and

Whereas the Wichita Mountains Wildlife Refuge is one of the oldest, if not the oldest, of game refuges operated by the Federal Government, being set aside as such by the presidential proclamation of Theodore Roosevelt in 1905; and

Whereas the wildlife refuge is famous for its herds of buffalo, elk, deer, its flocks of wild turkeys, the Easter pageant, the scenic Mount Scott Drive; and

Whereas the Federal Government, within the refuge, has blacktopped roads leading to the Meers, Medicine Park, Cache, and Indiahoma gates, leaving only the western entranceway unsurfaced; and

Whereas an all-weather, blacktopped entranceway to the wildlife refuge is needed to provide convenient access from those portions of western Oklahoma lying north of U.S. 62 and the Texas Plains, their nearest route into the refuge now being rough, dusty, and unmarked; and

Whereas another important route to the wildlife refuge leading from Indiahoma northward to the nearest refuge gate, a dis-

tance of approximately 5 miles, still is unsurfaced, rough, and dusty: Now, therefore, be it

Resolved by the House of Representatives of the 28th Legislature of the State of Oklahoma:

SECTION 1. That the need for an all-weather, blacktopped access road leading from headquarters in the Wichita Mountains Wildlife Refuge to its western gate, a distance of approximately four (4) miles, be expressed to Congress and to appropriate Federal authorities and that said Federal authorities give to such improvement the highest priority in the overall scheme of development for the refuge;

SEC. 2. That the State highway commission in Oklahoma be requested to plan, program, and as expeditiously as is possible to construct a connecting link between S.H. 54 and the western gate of the Wildlife Refuge, a distance of only 6.7 miles; that the commission be requested to lend moral support to those individuals, towns, and civic groups seeking fulfillment of this proposed improvement; and that it also plan, program, and as expeditiously as possible, construct a blacktopped connecting link from the town of Indiahoma northward to the nearest refuge gate, a distance of approximately five (5) miles; and

SEC. 3. That copies of this resolution be sent to Stewart L. Udall, Secretary of the Interior; Julian Howard, Superintendent, Wichita Mountains Wildlife Refuge; David Bell, Director, Bureau of the Budget; Carl Hayden, U.S. Senator; Mike Monroney, U.S. Senator; Robert S. Kerr, U.S. Senator; Victor Wickersham, Member of Congress; Gene Grubitz, Jr., secretary and member, State highway commission; J. C. Kennedy, member, State highway commission, and Frank Lyons, State highway director.

Adopted by the house of representatives the 25th day of May 1961.

DELBERT INMAN,
Speaker pro tempore of the House of Representatives.

WILLIAM N. CHRISTIAN.
A. MITCHELL.

Mr. THURMOND. Madam President, I desire to have the RECORD show that I am opposed to passage of H.R. 6345, the Interior Department appropriation bill, because the sums appropriated therein greatly exceed the budget estimates for 1962, and there is no adequate showing of an emergency or other special reason for the additional amount.

Mr. SCOTT subsequently said: Mr. President, I ask unanimous consent to have printed at the end of the debate on the Department of the Interior appropriation bill the statement of Mr. Samuel H. Hoffman, of the Warren, Pa., Chamber of Commerce before the Senate Committee on Appropriations on May 10, last, in support of the forestry laboratory at Warren, Pa.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A PROGRAM FOR FORESTRY RESEARCH

(Statement of Samuel H. Hoffman of the Warren, Pa., Chamber of Commerce before the Senate Appropriations Committee on May 10)

Mr. Chairman, I am appearing before you today to talk briefly about forestry research, a subject in which you and I share a great deal of interest. My State, like most of the other 49 that together constitute our Nation, enjoys a substantial forest resource. This forest contributes much in the way of water, timber, forage, wildlife, and recreation. But, like in the others, the increased pressures of use can be met only by putting our forest land to work completely. We have scarcely realized the potential wealth that can come from intensively managed forest lands.

To achieve a higher level of use will require knowledge—knowledge that we have not yet acquired. This is why I am so vitally interested in forestry research. It is through systematic study that the many resources of the forest can bring to the people the greatest degree of material wealth, comfort, and enjoyment.

Last January, Senator STENNIS spoke to the Senate about a research program—one that would bring up to date the forestry research efforts needed to move ahead in solving highly important problems. He called for an increase of $4 million to the Forest Service in fiscal year 1962 for research laboratory construction. I agree with Senator STENNIS that these laboratories are needed. This is not an extravagant program. The increase would merely provide for the second-year level of financing of the carefully worked out program of the Forest Service which this committee reviewed and endorsed 2 years ago.

I was happy to see included in the proposals by Senator STENNIS a laboratory at Warren, Pa. As I remarked on the Senate floor at that time this laboratory is vitally needed to speed the research program at Warren. The laboratory, costing $200,000, would give the research staff that are now on the job the kinds of facilities they need but do not have, and would materially hasten the pace of work and efficiency of the scientists.

Forestry research at Warren, Pa., is filling a recognized need. This new laboratory would serve not only the needs of Pennsylvania, but of adjacent States as well which have similar forest types.

I sincerely believe that the forestry research program is sound. The increase of $4 million for laboratory construction is in accordance with carefully developed plans. The action of this committee on previous occasions has established well its position of leadership in the field of forestry by its vision on matters such as I discuss. I support, Mr. Chairman, the action required so this program can go ahead.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 6345) was passed.

Mr. HUMPHREY. Madam President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. KUCHEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HAYDEN. Madam President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mrs. NEUBERGER in the chair) appointed Mr. HAYDEN, Mr. RUSSELL, Mr. MCCLELLAN, Mr. KEFAUVER, Mr. BIBLE, Mr. MUNDT, and Mr. YOUNG of North Dakota conferees on the part of the Senate.

HOUSING ACT OF 1961

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1922) to assist in the provision of housing for moderate and low-income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

Mr. MANSFIELD. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. I make this inquiry in the time available on the bill. What is the pending amendment?

The PRESIDING OFFICER. The pending amendment is the Capehart amendment identified as "6–1–61—D."

Mr. MANSFIELD. I thank the Chair.

The PRESIDING OFFICER. On this question, the Senator from Indiana has 22 minutes remaining under his control and the Senator from Alabama has 29 minutes remaining under his control.

The amendment is the Capehart amendment lettered "D"—"D" as in Denver.

Mr. HUMPHREY. Or "D" as in Dallas? [Laughter.]

Mr. SPARKMAN. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. SPARKMAN. What became of the Javits amendment? I thought it was the pending amendment.

The PRESIDING OFFICER. The yeas and nays have been ordered on the Javits amendment, and it will come up later.

Mr. SPARKMAN. Very well.

Mr. CAPEHART. Madam President——

The PRESIDING OFFICER. Will the Senator from Indiana state how much time he yields to himself?

Mr. CAPEHART. Five or ten minutes.

The PRESIDING OFFICER. The Senator from Indiana may proceed.

Mr. CAPEHART. I should like to propose to the floor manager of the bill a modification of my amendment, to see whether he will accept it, namely, to reduce the period of time from 25 years to 20 years, and to state that it applies only to buildings or structures 10 years of age or older.

Mr. SPARKMAN. And leave the maximum amount at $10,000?

Mr. CAPEHART. Yes. The pending amendment would reduce the amount from $10,000 to $7,000, and would reduce the number of years from 25 to 15. Would the Senator from Alabama accept a modification which would reduce the years from 25 to 20, would leave the amount at $10,000, but would provide that the money can be spent only on structures or houses 10 years of age or older?

Mr. SPARKMAN. Yes, I would be willing to agree to that amendment.

Mr. ROBERTSON. Will the Senator state what amendment is being discussed, to be adopted by unanimous consent?

Mr. CAPEHART. None. We are only discussing this.

Mr. ROBERTSON. I do not know what amendment is being considered.

Mr. SPARKMAN. The Chair announced that the amendment is identified as the Capehart amendment "6–1–61—D."

Mr. ROBERTSON. There was so much noise in the Chamber that I could not hear the Chair's announcement.

Mr. SPARKMAN. It is the amendment relating to the home improvement and rehabilitation loan proposed by the bill. The Senator from Indiana has proposed to reduce the term of the loans from 25 years to 20 years, and to permit the maximum amount to stand at $10,000. He also proposes to include a proviso that loans would only be made on houses 10 years of age or older.

The PRESIDING OFFICER. On this amendment, the yeas and nays have been ordered. Therefore, the amendment can now be modified only by unanimous consent.

Mr. CAPEHART. I understand, Madam President. I shall use the 10 minutes I have allocated to myself to discuss this matter.

Let me ask whether there is objection to unanimous consent to modify the amendment along this line.

The PRESIDING OFFICER. If the Senator from Indiana will permit the Chair to put the question——

Mr. ROBERTSON. Madam President, reserving the right to object, let me say that the Senator from Indiana had a printed amendment which goes far beyond the present law. Will he please explain to the Senate why he has abandoned that position, for a still more liberal one?

Mr. CAPEHART. I am not abandoning it. I just asked the able Senator in charge of the bill, the Senator from Alabama, whether he would be willing to accept an amendment along the line of the one I have just now stated. Unanimous consent is required in order that I may withdraw my amendment. But I have not yet requested that.

However, I gather that the able Senator from Virginia would be opposed even to providing for 20 years and a $10,000 maximum, and including a proviso that the buildings must be 10 years of age or older.

Mr. ROBERTSON. I take the position that the present law has worked well and is sufficiently liberal. But rather than go to the extent provided by the bill, I was prepared to support the amendment offered by the Senator from Indiana. I will not agree to have that amendment withdrawn.

Mr. MANSFIELD. Madam President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. MANSFIELD. I rise to propound a parliamentary inquiry: Would it be in order at this time to request unanimous consent that the yeas and nays—which have been ordered on this amendment—be withdrawn, so that the Senator from Indiana may then offer a new amendment—in other words, his amendment in modified form?

Mr. CAPEHART. Madam President, I prefer to have the Senate vote on the amendment as it is now written. If the Senate adopts the amendment, we shall be very happy. If the Senate does not adopt the amendment as it is now written, later I shall offer the modification I have discussed.

Mr. ROBERTSON. That is certainly a more logical position.

Mr. CAPEHART. Very well.

Madam President, this amendment is a very simple one. It reduces the amount from $10,000 to $7,000, and reduces the period of years from 25 to 15. We now have—and have had for many years—a law, regarding home improvements, to do the same thing that this section of the bill would do, but with a limit of $3,500, and for a period not to exceed 5 years.

It is my opinion that 15 years—or three times as long as has been allowed in the past—and $7,000—or twice the amount we have allowed in the past—are ample, and should satisfy, I believe, the most liberal and should satisfy the building industry. I think it is a more sound and sane and sensible approach at the moment, rather than to provide for up to 25 years—a long time—and up to $10,000.

Madam President, I am willing to yield back the remainder of the time under my control.

Mr. BUSH. First, Madam President, will the Senator from Indiana yield 1 minute to me?

Mr. CAPEHART. I yield.

Mr. BUSH. I should like to support the amendment of the Senator from Indiana; I believe it is a desirable amendment, and I am glad the Senate will vote on it. I see no reason why the terms should not be raised as gradually as would be the case under this amendment.

To jump to 25 years would, I believe, be unnecessary. I believe 15 years is a reasonable time for a home improvement loan to be insured by the FHA.

Also, to jump from $3,000 to $7,000—an increase of 2½ times—would be more than necessary, in my opinion.

So I believe the amendment of the Senator from Indiana is a sound one and should be supported.

The PRESIDING OFFICER. Does the Senator from Alabama yield back the remainder of the time under his control?

Mr. SPARKMAN. No, Madam President. I wish to speak very briefly. At this time I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 10 minutes.

Mr. SPARKMAN. Madam President, I would be perfectly willing to accept the modified amendment proposed by the Senator from Indiana as a compromise, but not the amendment on which the yeas and nays have been ordered.

I wish to repeat a statement I have already made. Reference has been made to the existing title I home repair and improvement program. This program is a home improvement program. It covers perhaps the painting of a house; a new roof; a new bathroom; a new porch, or something of that kind.

Home improvements and home repairs are involved. It is not a regular type of FHA program. It is true that this program is administered by the FHA, but the agency has nothing to do with processing the application for the loan. The FHA simply insures the lender against loss if the lender requests such insurance. Under the program, the homeowner goes to his local bank and makes application for a loan. If the bank approves the application and makes the loan the bank may ask for insurance under the home improvement program. The FHA, if the bank is an approved institution, merely insures the bank against loss on the loan on a 90–10 basis; that is, the FHA assumes 90 percent if there is a loss and the banks assume a 10 percent loss.

The program proposed by this bill would require that an application for a loan must be processed by the FHA, and that all FHA's regular underwriting standards will apply to the application and, indeed to the applicant's credit ability. In other words, applications under the new program will be processed in the same manner as the agency would process an application for mortgage insurance.

Mr. ROBERTSON. Madam President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. ROBERTSON. I agree that the proposal goes much further than merely to provide funds to finance a $3,500 repair job.

Mr. SPARKMAN. That is correct.

Mr. ROBERTSON. But, under the program, the loan will be made on the good faith and credit of the homeowner, and not be secured by a mortgage. No mortgage will be required, and the Federal Government will have to hold the bag.

Mr. SPARKMAN. I must say, with all due deference to my dear friend and my chairman, that his statement is not entirely correct.

Mr. ROBERTSON. Why is it not correct?

Mr. SPARKMAN. Because we wrote into the pending bill that there must be adequate security, and also in the report we tried to explain what we meant by adequate security. We said for the longer terms and the larger amounts we would expect there would be junior liens or liens as may be appropriate under the circumstances involved and the laws of the particular State.

Mr. ROBERTSON. In committee the proposal that mortgages be required was defeated. Something about it was put in the report, but it means nothing.

Mr. SPARKMAN. That was done because there might be smaller amounts provided for which a note at the bank would be sufficient, or collateral might be placed, or something of that kind. I believe the matter is adequately covered by the language in the bill that there must be adequate security and by the statement in the report which is to be found on pages 12 and 13.

Madam President, one of the great advocates of the FHA programs for existing homes has been, through the years, my distinguished friend, the senior Senator from Indiana [Mr. CAPEHART].

The real estate boards, the various building groups and various groups of private enterprise have through the years recommended a rehabilitation program. We had the famous Baltimore plan of rehabilitation. That is exactly what is here proposed. It makes possible, where existing homes can be rehabilitated, making them a part of the inventory of livable homes.

Mr. DOUGLAS. Madam President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. Has not one of the leading advocates of improving existing houses been the distinguished senior Senator from Indiana [Mr. CAPEHART]?

Mr. SPARKMAN. Yes, he has, year after year. We are simply trying to carry out something that he has advocated in the past.

It must be remembered that the $10,000 amount is the maximum. I believe it is a reasonable maximum when we consider that there is involved the rehabilitation or the rebuilding of a house.

I am perfectly willing to go along with the Senator, and lower the term from 25 years to 20 years, and I am perfectly willing to provide that the loan shall not be provided on a house that is less than 10 years old, because it is the older homes it is being proposed to rehabilitate.

Mr. CAPEHART. We are certainly not very far apart—$7,000 as against $10,000 and 25 years as against 15 years.

Mr. SPARKMAN. I think if we vote down the pending amendment, we can get together very easily.

Mr. CAPEHART. My position is that my proposal is sufficient when we are talking in terms of persons of middle income whose homes cost from $9,000 to $15,000.

Mr. SPARKMAN. We are not talking about that class of homes.

Mr. CAPEHART. We ought to be.

Mr. SPARKMAN. We are talking generally about deteriorated homes, which at one time may have been good livable homes, but which have become rundown and need repair or some rebuilding or some rehabilitation. I think the figure of $10,000 is a reasonable maximum limit.

Mr. CAPEHART. I appreciate the praise I received from the Senator from Alabama and the Senator from Illinois, because it is very seldom that I get praise.

Mr. SPARKMAN. The Senator knows that is not true. I praise him every time we authorize a housing bill.

Mr. CAPEHART. I do not think there is any need for the Federal Government to be lending money to persons with large incomes.

Mr. SPARKMAN. We are not talking about such homes nor are we talking about loans being made by the Federal Government.

Mr. CAPEHART. The only reason why I am proposing the 15-year period and the $7,000 maximum is to help the low income and the middle income people. We are trying to help those who have dilapitated homes. I think we are both agreed in principle that it ought to be done and that there is a need for it. I think the provision ought to be 15 years and $7,000. We are being as liberal as we need to be at this particular time.

Mr. SPARKMAN. I hope the Senate will vote down the amendment; if so, I shall be perfectly willing to agree to the proposal which the Senator from Indiana stated a few moments ago.

I yield back the remainder of my time.

Mr. CAPEHART. Madam President, I yield back the remainder of my time, and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Madam President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendments offered by the Senator from Indiana [Mr. CAPEHART] for himself and the Senator from Utah [Mr. BENNETT]. On this question the yeas and nays have been ordered, and the clerk will call the role.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Arizona [Mr. HAYDEN] and the Senator from Tennessee [Mr. KEFAUVER] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arizona [Mr. HAYDEN], and the Senator from Tennessee [Mr. KEFAUVER] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON], and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Kentucky [Mr. COOPER] is necessarily absent.

If present and voting, the Senator from Vermont [Mr. AIKEN], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Kentucky [Mr. COOPER], and the Senator from Wisconsin [Mr. WILEY] would each vote "yea."

The result was announced—yeas 35, nays 56, as follows:

[No. 60]

YEAS—35

Allott	Capehart	Eastland
Beall	Case, S. Dak.	Fong
Bennett	Cotton	Goldwater
Bush	Curtis	Hickenlooper
Butler	Dirksen	Hruska
Byrd, Va.	Dworshak	Keating
Lausche	Robertson	Stennis
McClellan	Russell	Talmadge
Miller	Saltonstall	Thurmond
Morton	Schoeppel	Williams, Del.
Mundt	Scott	Young, N. Dak.
Prouty	Smith, Maine	

NAYS—56

Anderson	Hart	McNamara
Bartlett	Hartke	Metcalf
Bible	Hickey	Monroney
Boggs	Hill	Morse
Burdick	Holland	Moss
Byrd, W. Va.	Humphrey	Muskie
Cannon	Jackson	Neuberger
Carroll	Javits	Pastore
Case, N.J.	Johnston	Pell
Church	Jordan	Proxmire
Clark	Kerr	Randolph
Dodd	Kuchel	Smathers
Douglas	Long, Mo.	Smith, Mass.
Ellender	Long, Hawaii	Sparkman
Engle	Long, La.	Smathers
Ervin	Magnuson	Williams, N.J.
Fulbright	Mansfield	Yarborough
Gore	McCarthy	Young, Ohio
Gruening	McGee	

NOT VOTING—9

Aiken	Carlson	Hayden
Blakley	Chavez	Kefauver
Bridges	Cooper	Wiley

So Mr. CAPEHART'S amendment D was rejected.

Mr. CAPEHART. Madam President, I ask unanimous consent that the Senate consider out of order an amendment having to do with the same subject, which, I understand, the Senator in charge of the bill, the able Senator from Alabama [Mr. SPARKMAN], is prepared to accept. It will require only a short time.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The amendment of the Senator from Indiana will be stated.

The LEGISLATIVE CLERK. On page 14, line 23, it is proposed to strike out "used or to be used" and insert in lieu thereof the following: "which was constructed not less than 10 years prior to the making of any such loan, advance of credit, or purchase, and which is used or will be used".

On page 15, line 24, it is proposed to strike out "twenty-five" and insert in lieu thereof "twenty".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana.

Mr. SPARKMAN. Madam President, I am willing to accept the amendment. I yield back the remainder of my time.

Mr. CAPEHART. Madam President, I yield back the time allotted to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana.

The amendment was agreed to.

Mr. FULBRIGHT. Madam President, I call up my amendment 6-6-61—C and ask that it be stated.

The PRESIDING OFFICER. Under the unanimous consent agreement, the amendments must follow in order. The next amendment to be considered is the Capehart amendment designated "J."

Mr. SPARKMAN. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPARKMAN. Would it be in order by unanimous consent to change the previous order? I make the suggestion because the Senator from Arkansas [Mr. FULBRIGHT] has an amendment to which

I think we can agree, and the same is true with respect to an amendment to be offered by the Senator from Virginia [Mr. ROBERTSON].

Mr. CAPEHART. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. Is the pending amendment, known as Capehart J, the only amendment pending?

The PRESIDING OFFICER. The amendment known as Capehart J is the pending amendment.

Mr. CAPEHART. Is there any amendment pending beyond that amendment?

The PRESIDING OFFICER. Yes; the amendment known as the Javits-Bush amendment is pending.

Mr. CAPEHART. Madam President, I ask unanimous consent that the able Senator from New York [Mr. JAVITS] be permitted to call up his amendment at this time, rather than proceeding to the consideration of my amendment J.

Mr. JAVITS. Madam President, reserving the right to object——

Mr. FULBRIGHT. Madam President, reserving the right to object——

The PRESIDING OFFICER. There is objection.

Mr. CAPEHART. Madam President, I ask unanimous consent that the unanimous-consent agreement under which the Senate would proceed to consider the Capehart amendment J be dissolved, and that the Senate proceed in regular order, as though there had never been an order entered to call up the amendment known as Capehart J.

The PRESIDING OFFICER. Is there objection?

Mr. CAPEHART. I reserve the right to call up my amendment later.

Mr. JAVITS. Madam President, reserving the right to object, I should like to inquire of the Senator from Indiana as to his purpose.

It was my thought that there was an orderly way in which to approach the whole problem. If the Senator will modify his unanimous consent request to allow the Senator from Arkansas [Mr. FULBRIGHT] to precede me, I will have no objection.

Mr. CAPEHART. Madam President, if my request is agreed to, whatever Senator obtains the floor and offers an amendment will be permitted to proceed.

Mr. JAVITS. Madam President, continuing my reservation of my right to object, I respectfully submit that what has been stated is not the situation. I would immediately follow. Therefore, if the unanimous-consent request were amended to call for the Senator from Arkansas [Mr. FULBRIGHT] to proceed, such action would be satisfactory to me.

Mr. SPARKMAN. Action on the amendment of the Senator from Arkansas [Mr. FULBRIGHT] would be followed by consideration of the amendment offered by the Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Madam President, I have a noncontroversial amendment that I do not expect to discuss at length, and which I believe the chairman of the subcommittee will accept.

The PRESIDING OFFICER. Is there objection to proceeding to consider the amendment offered by the Senator from Arkansas?

Mr. CAPEHART. Madam President, I ask that my unanimous-consent request include both the Capehart amendments that have been offered and the Javits amendment, and that those amendments be considered in regular order at a later date.

The PRESIDING OFFICER. The Chair asks the Senator from Indiana to restate his request.

Mr. CAPEHART. I ask unanimous consent that the order providing for the calling up of the Capehart amendment J at this time, to be followed by the Javits amendment, be vacated, and that the Senate proceed in regular order as though neither of those amendments had been ordered to be disposed of at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana?

Mr. JAVITS. Madam President, reserving the right to object, I believe that by agreeing to the request we would still not meet the issue, because we do not know how much time would be required to consider the other amendments. I am more than happy to accommodate the Senator from Indiana, and I agree with him that my amendment should follow his. But I respectfully suggest that at the moment about all we can do is to yield to the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Virginia [Mr. ROBERTSON], and then I am sure the Senate would be tolerant of any further arrangements which we would need to make.

Will the Senator from Indiana join with me in that request?

Mr. CAPEHART. I will join in that request.

The PRESIDING OFFICER. Is there objection?

Mr. HARTKE. Madam President, reserving the right to object, may I have added to the list of the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Virginia [Mr. BYRD] the junior Senator from Indiana?

Mr. JAVITS. Such arrangement would be satisfactory.

Mr. CAPEHART. Yes.

Mr. JAVITS. If the Senator will yield to me to make a unanimous-consent request——

Mr. CAPEHART. I yield.

Mr. JAVITS. I ask unanimous consent that in lieu of the unanimous-consent request of the Senator from Indiana [Mr. CAPEHART], the amendments which are now on the calendar for consideration, in the order in which they are on the calendar for consideration, may be preceded by amendments to be proposed by the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Virginia [Mr. ROBERTSON], the Senator from Indiana [Mr. HARTKE], and the Senator from Florida, in that order.

The PRESIDING OFFICER. Is there objection? Hearing none, the Senator from Arkansas may proceed.

Mr. FULBRIGHT. Madam President, I call up my amendment 6–6–61—C, and ask that it be stated.

The LEGISLATIVE CLERK. On page 83, line 14, insert "(a)" after "SEC. 702." and after line 20 insert the following:

(b) Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) is amended by adding at the end thereof the following new paragraph:

"Without regard to any other provision of this subsection, any such association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to invest in, to lend to, or to commit itself to lend to any business development credit corporation incorporated in the State in which the head office of such association is situated, in the same manner and to the same extent as the statutes of such State authorize a savings and loan association organized under the laws of said State to invest in, to lend to, or to commit itself to lend to such business development credit corporation, but the aggregate amount of such investments, loans, and commitments of any such association outstanding at any time shall not exceed one-half of 1 per centum of the total outstanding loans made by such association, or $250,000, whichever is lesser."

Mr. BUSH. Madam President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. How much time does the Senator from Arkansas yield himself?

Mr. FULBRIGHT. Ten minutes.

Madam President, my amendment is based upon Senator ERVIN'S bill, S. 846, which he introduced on behalf of himself, Senator JORDAN, and myself. S. 846 in turn is based on S. 3581 of the last Congress.

The proposal would amend section 5(c) of the Home Owners Loan Act of 1933. It would authorize Federal savings and loan associations to invest in or lend to State development credit corporations in their States, if State savings and loan associations in their States are permitted to do so under local law. The authority is limited. A Federal savings and loan association may only lend or invest in a development credit corporation in its State to the extent permitted for State savings and loan associations. And in addition, this proposal places a further limit of one-half of 1 percent of the outstanding loans of the Federal savings and loan association or $250,000, whichever is lesser. Furthermore, a Federal savings and loan association may act under the proposal only if its general reserves, surplus, and undivided profits exceed 5 percent of its withdrawable accounts.

A full description of this proposal was given by the Senator from North Carolina on February 9 of this year when he introduced S. 846. At that time he pointed out that the laws of at least 22 States authorized State savings and loan associations to participate in financing business development credit corporations. In March of 1961, Indiana passed house bill 508 which authorized Indiana savings and loan associations to participate. In other States, such as Arkansas, it is my understanding that State savings and loan associations are authorized

to do so although the State statutes do no explicitly confer such power.

In drawing up my amendment from S. 846, I have revised the language so as to make it clear that in Arkansas and other States with similar statutes, Federal savings and loan associations may join State savings and loan associations in supporting these business development credit corporations.

Since the introduction of S. 846, a number of comments have been received which it would, I believe, be helpful to the Senate to see.

I ask unanimous consent that excerpts from the recently released CED report on "Distressed Areas in a Growing Economy" and correspondence be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD as follows:

EXCERPTS FROM REPORT OF COMMITTEE FOR ECONOMIC DEVELOPMENT ENTITLED "DISTRESSED AREAS IN A GROWING ECONOMY"

The most important sources of local funds, outside of normal banking channels, have been the local community development corporations (p. 61).

In several States privately financed development credit corporations have been established which use private funds from conventional financial institutions to make long-term credit available to sound small businesses. The Gilmore study indicates that as of the end of 1957 these corporations in seven States had approved 407 loans for $32 million. Half of the loans have a maturity of 6 to 10 years and most have been made at an interest charge of 6 percent. In New York and five New England States new loans are being made at an annual rate of approximately 115 loans for an aggregate of $10 million (p. 62).

A number of States with extensive chronic unemployment lack State development credit corporations. Private capital may not be as available as in New York or New England, nor State tax resources as extensive as in Pennsylvania. Local industrial development corporations in some States report that they have used most of the available local sources of capital (p. 63).

For these reasons we believe additional assistance in financing is required for local industrial development corporations, for local government units, and for concerns building in distressed areas (p. 63).

THE BUSINESS DEVELOPMENT CORP. OF NORTH CAROLINA,
Charlotte, N.C., February 17, 1961.

Re bill S. 846, 87th Congress.

Hon. SAM J. ERVIN, Jr.,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR ERVIN: You have rendered a genuine public service in introducing the above bill for yourself, Senator FULBRIGHT, and Senator JORDAN. I think you have drawn a very fine bill. If enacted, it will make a large amount of funds available for small industry in this State through this corporation without additional taxation. The need for small industry aid is very genuine, and for this reason I believe your bill will prove popular and have nationwide interest.

I hope you and all of your associates there in Washington will push this through with all energy possible.

Sincerely yours,

R. A. BIGGER,
President.

UNITED STATES SAVINGS AND LOAN LEAGUE,
Chicago, Ill., March 21, 1961.

Mr. H. POWELL JENKINS,
Executive Vice President, The Business Development Corp. of North Carolina, Raleigh, N.C.

DEAR MR. JENKINS: Thank you for your letter of March 7 discussing S. 846 to amend the Home Owners Loan Act to permit savings and loan associations to invest in, lend to or commit themselves to lend to State development credit corporations.

Our legislative committee has considered this legislation and we are interested in it, and I certainly have no objection to it. In fact, we are generally favorable to it. We are aware of the outstanding work that has been done in North Carolina and the work of some of our member institutions in this program. It has been a very wholesome development and I hope our institutions and our people can take an appropriate part in this kind of activity.

Sincerely,

NORMAN STRUNK,
Executive Vice President.

BUSINESS DEVELOPMENT CORP.,
Louisville, Ky., April 6, 1961.

Mr. MATTHEW HALE,
Chief of Staff, U.S. Senate, Committee on Banking and Currency, Washington, D.C.

DEAR MR. HALE: Attached is a copy of the Kentucky act which is now on the statute books.

I am sorry to say that no State-chartered savings and loan associations are members of our organization. We have had several meetings with association groups.

I recently had lunch with the president-to-be of the association of these organizations. From what he said it seems that the federally charted Kentucky associations are dominant in size, as well as being the leaders in that particular Kentucky industry. Therefore, it was strongly emphasized by this president-to-be that it is fruitless to attempt to get memberships out of the State-chartered associations here in Kentucky until the federally chartered associations take the lead.

Sincerely yours,

Bob,
ROBERT K. LANDRUM,
Executive Vice President.

NEW YORK BUSINESS DEVELOPMENT CORP.,
Albany, N.Y., May 16, 1961.

The Honorable SAMUEL J. ERVIN, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ERVIN: We are gratified to learn that you are a sponsor of Senate bill 846 which contemplates permitting Federal savings and loan associations to invest in, lend to, or commit themselves to lend or purchase stock in State-chartered corporations.

As secretary of the Northeastern Conference of Development Corporations, which embraces all of the New England States, New York, and New Jersey, I would be pleased to appear before your committee if you think my services or testimony would be helpful.

Sincerely yours,

DAVID J. DUGGAN,
Secretary, Northeastern Conference of Development Credit Corporations.

FIRST AND MERCHANTS NATIONAL BANK OF RICHMOND,
Richmond, Va., July 12, 1960.

Hon. A. WILLIS ROBERTSON,
U.S. Senate,
Washington, D.C.

DEAR WILLIS: I understand your Banking and Currency Committee has had referred to it Senate bill 3581, introduced by Senator ERVIN of North Carolina. This bill has to do with permitting Federal savings and loan associations to invest in the securities of State industrial development companies.

We are getting ready to form a Virginia Industrial Development Corp. to assist in financing new industry moving into our State. The Virginia Bankers Association has endorsed the corporation and undoubtedly many member banks will become lending members of the corporation. We want the Federal savings and loans also to become lending members, but they are prohibited by law.

I am writing therefore to speak a good word on behalf of Senator ERVIN'S bill. North Carolina has had for 4½ years an industrial development corporation such as the one we are now forming in Virginia. The State-chartered savings and loan associations in North Carolina are members. The federally chartered associations should also be permitted to be members, in my opinion.

Sincerely yours,

ROBERT T. MARSH, Jr.,
President.

Mr. ANDERSON. Madam President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ANDERSON. Do I understand correctly that the text of the amendment was introduced as a bill in February?

Mr. FULBRIGHT. Yes.

Mr. ANDERSON. Have hearings been held on it before the committee?

Mr. FULBRIGHT. Does the Senator refer to the bill which was introduced by the Senator from North Carolina?

Mr. ANDERSON. Yes.

Mr. FULBRIGHT. I do not believe hearings were held on it.

Mr. ANDERSON. Is it not normal for a bill to be considered by a committee, instead of bringing it up on the floor in this way?

Mr. FULBRIGHT. That bill was preceded by S. 3581 in the last Congress. The author of the bill, the Senator from North Carolina [Mr. ERVIN], believes, as I do, that this is the proper way to consider this matter.

Mr. ANDERSON. Which committee would consider the bill?

Mr. FULBRIGHT. The Banking and Currency Committee, from which the pending bill was reported.

Mr. ANDERSON. Why could not the Banking and Currency Committee consider it and report this proposal?

Mr. FULBRIGHT. The committee could. However, this seemed to be the more efficient and proper way of handling the proposal.

Mr. ANDERSON. It would seem to me that the proper way to handle it would be to have the committee consider it and report it, if it is a good bill.

Mr. FULBRIGHT. It is a good bill.

Mr. ERVIN. This is a very simple amendment, if the Senator will permit me to comment on it.

Mr. ANDERSON. I raise the question because many States have other than Federal savings and loan associations which might wish to participate. They have had no opportunity to be heard.

Mr. FULBRIGHT. My amendment would not exclude them. Its only purpose is to make it possible for Federal savings and loan associations to do what

State savings and loan associations are permitted to do by State law. If the Senator wishes to introduce a bill in behalf of other institutions, I am sure it will receive consideration.

Mr. ANDERSON. The other associations may have been waiting for an opportunity to be heard on the bill to which the Senator has referred.

Mr. ERVIN. Madam President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ERVIN. Many State organizations can do so now. The amendment allows Federal savings and loan associations to make investments in a State development corporation. There are 23 States which have State development corporations. Under the bill, Federal savings and loan associations are allowed to take such action only if State savings and loan associations are authorized by State law to make such loans. In addition to that, there are two limitations. One is that the Federal savings and loan association, in order to be permitted to make an investment in the State development corporation, must have at least 5 percent in reserves, undivided profits and surplus above its withdrawal accounts. In addition to that, it can lend not more than one-half of 1 percent of its outstanding loans, or $250,000, whichever is the lesser sum.

Mr. ANDERSON. As I understand, the bill was sent to the Banking and Currency Committee in February of this year.

Mr. ERVIN. It was introduced last session also.

Mr. ANDERSON. Did the Federal agencies report on it at the last session?

Mr. ERVIN. No.

Mr. ANDERSON. Have they reported on it at this session?

Mr. ERVIN. No.

Mr. ANDERSON. Why do we get a bill on the floor on which we cannot get a report from the Federal agencies?

Mr. ERVIN. This is a permissive bill.

Mr. ANDERSON. Why did not one of the agencies report on it?

Mr. FULBRIGHT. I do not know. Does the Senator make objection purely on procedural grounds, or does he object on the merits of the amendment?

Mr. ANDERSON. I do not know anything about the merits of the amendment. No hearings have been held on it. The Home Owners Loan Act has been under consideration for a long time, since back in 1933. Someone tried to have the bill enacted at the last session, but could not get a favorable report, and therefore it died. Now they put the same bill in this year, and they cannot get a report. There ought to be some procedural way of handling these things.

Mr. ALLOTT. Madam President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ALLOTT. I should like to ask two questions. First of all, is it true or not that this matter has been reported on by the Federal Home Loan Bank Board?

Mr. FULBRIGHT. My understanding is that no report has been made.

Mr. ALLOTT. Was this particular amendment considered by the committee?

Mr. FULBRIGHT. I do not know. The Senator from Alabama knows. Did the committee consider the amendment?

Mr. SPARKMAN. This amendment was not considered by the committee. I believe I can explain the reason for it. It was anticipated that we would have savings and loan legislation before us probably involving reorganization and other matters, and therefore we decided not to consider any savings and loan association legislation in connection with the bill. The legislation we had anticipated being proposed has not been proposed—at least no recommendation has been made. I believe that the sponsors feel it would be highly desirable to have this language enacted in order to have uniform action as between the Federal and State associations within those States which have passed enabling legislation for State associations.

Mr. ROBERTSON. Madam President, will the Senator yield to me, so that I may explain the position of the Home Loan Bank Board?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON. The Home Loan Bank Board and a number of other agencies were requested in February to submit a report on the Ervin bill. However, they cannot submit their reports until they have been cleared by the Bureau of the Budget. The Bureau of the Budget has been so busy sending supplemental appropriation requests to Congress that it has not been able to catch up with all the legislative details, and the committee has not yet received the reports.

The chairman of the committee received a letter from the president of the Virginia Bankers Association. The president of Virginia Bankers Association is the president of the biggest bank in Richmond. They want to take part in the business of the Virginia Redevelopment Corp., and the banks will be more inclined to contribute to it when the Federal savings and loan associations can contribute to it.

Mr. ERVIN. Madam President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ERVIN. This amendment was introduced as a bill in the last Congress. The Federal Home Loan Bank Board has never expressed any opinion on it. I respectfully submit that where a bill is favored by approximately 23 States, Congress ought not to lose its legislative power merely because the Federal Home Loan Bank Board has not answered a request for its opinion. Action should not be delayed simply because the Federal Home Loan Bank Board has not answered letters.

This is a very simple and progressive amendment. It places no obligation on anyone. It merely authorizes a Federal savings and loan association to lend not more than one-half of 1 percent of the amount of all its outstanding loans or $250,000, whichever is smaller, if such association has a 5-percent surplus above all of its withdrawable accounts, and if State savings and loan associations in the same State are allowed to make loans to State development corporations.

Mr. ALLOTT. Madam President, will the Senator from Arkansas further yield?

Mr. FULBRIGHT. I yield.

Mr. ALLOTT. I have listened to the statement of the Senator from North Carolina. I cannot see the logic of adopting a system by means of a bill, or an amendment to a bill, when the adminstration does not consider it important enough to even write a short letter of approval.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. FULBRIGHT. I yield myself 5 more minutes.

Mr. ALLOTT. Madam President, will the Senator yield a minute to me for a brief remark?

Mr. FULBRIGHT. I yield.

Mr. ALLOTT. I remember back in 1933, 1934, and 1935, when the savings and loan institutions of this country were a shambles. I think it is no understatement at all to say that they are no longer a shambles because of the creation of the Federal Home Loan Bank Board.

Contrary to what the Senator from North Carolina has just said, I do not consider that this proposal would give to the States what they want. I have had no letters from the States asking me to provide such facilities. On the contrary, I consider that to take such action would be to relinquish a part of the authority of the Home Loan Bank Board to control these organizations; and that authority is what has kept them strong and made them one of the most vital forces in home ownership in this country.

I myself have grave doubts about the proposal. I hope the amendment will not be pressed.

Mr. ROBERTSON. Madam President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON. The bill was introduced late in August last year.

As I recall it, the chairman never requested a statement on it, because he hoped that Congress would adjourn and that we would go to the conventions. As I remember, we did not even make such a request last year.

Mr. FULBRIGHT. The Senator from Colorado said he has not received any letters on this subject. I offered for the RECORD a number of letters on the subject which have come from various parts of the country. One of them is from the Northeastern Conference of Development Corporations by its secretary, which endorses the bill.

Mr. ANDERSON. That is not the Home Loan Bank Board?

Mr. FULBRIGHT. No; these letters are from banks and the people who represent local development credit corporations in the States.

In my State, the First Arkansas Development Corp. is most desirous to have the authority provided by the

amendment. It has already been stated by the Senator from North Carolina that 22 States have requested this authority. The bill will apply only where the State savings and loan associations have this authority; it does not apply generally.

Mr. ERVIN. It cannot apply to Colorado, because Colorado has no law which permits it.

Mr. FULBRIGHT. It would not bother Colorado in the least. It is in no way prejudicial to Colorado. It would apply only in States where the State savings and loan associations are engaged in the same practice.

Mr. ERVIN. Subject to limitations in amount.

Mr. FULBRIGHT. Subject to limitations in amount. The Senator has already stated that the bill is not mandatory. No one has said that the savings and loan associations are required to exercise the authority, but the amendment allows them to do so.

On the surface, I cannot understand why the Senator from Colorado objects to the proposal purely on procedural grounds.

I requested from the State Department, as long ago as the first of February, a report on pending passport bills. I have not yet received a reply. We all know there is a new administration in office. The Senator from New Mexico is aware of that. The Senator from Virginia has said that the Bureau of the Budget is behind in its work. I see no reason why an amendment as simple as this should be objected to. Is the objection made on the merits of the amendment or on procedural grounds?

Mr. ANDERSON. Madam President, if the proposal is so simple, why cannot the committee handle it? Is it impossible for the Committee on Banking and Currency to handle it?

Mr. FULBRIGHT. I shall have to leave the answer to that question to the chairman of the committee.

Mr. ANDERSON. He said he did not ask for a report last year. He has not received an answer to date this year.

Mr. ROBERTSON. The committee can handle it, but not so quickly as it can be done by the Senate today.

Mr. FULBRIGHT. Is the Senator from New Mexico objecting on the merits or as a matter of procedure?

Mr. ANDERSON. I have an objection on the merits.

Mr. FULBRIGHT. What is the objection?

Mr. ANDERSON. Some of us went through the problems of the home building and loan association previously. I was very much interested in the efforts toward refinancing when we went through the financial difficulties of the 1930's. Congress passed the Home Owners Loan Act in 1933. We tried to have it administered properly. Some of the difficulties which had arisen and it sought to cure were brought about by bad management. I do not want to see the present situation drift into bad management. If we now provide that the Federal building and loan associations shall get into the business of making business loans, we change the whole function of the organization, and we ought not to do that.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. FULBRIGHT. Madam President, I yield myself 5 additional minutes.

The Home Owners Loan Corporation will not make loans. The Federal savings and loan organizations, if they wish, and they do not have to, will be enabled to participate in lending to the development loan corporations.

I have had a report from the corporation in my State that there has been extremely good participation by the local banks and by the State organizations. The Federal organizations, of course, have great prestige, and they have acquired a large part of the available home loan business. All we would be doing would be to enable them to participate in this program in a limited amount.

Mr. ANDERSON. The Senator from Arkansas says the banks enjoy this business. The business of a bank is to make business loans.

Mr. FULBRIGHT. These loans are made to the development loan corporations.

Mr. ANDERSON. I understand, but the Senator says that banks like this type of business. They do. But the Senator proposes to have savings and loan associations, which are primarily supposed to deal with home ownership, get into the banking business. That is wrong.

Mr. FULBRIGHT. To the extent of one-half of 1 percent, which is not a very great change. In Arkansas, 138 banks made commitments to lend $1,500,000 to the First Arkansas. The amount is based, in their case, upon 2½ percent of the bank's capital and surplus. As in all underdeveloped States, capital is very scarce in Arkansas.

Insurance companies also participate. Insurance companies traditionally make, primarily, long-term real estate loans, but the States also would like and need the prestige of the Federal savings and loan associations.

Mr. ERVIN. Madam President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ERVIN. Will the Senator from Arkansas state if the amendment has three limitations upon it?

Mr. FULBRIGHT. Yes.

Mr. ERVIN. First, it applies only in States where the State savings and loan associations have this power.

Second, loans cannot be made, even in those States, unless the associations have reserves, surplus, and undivided profits equal to 5 percent of all their withdrawable accounts.

Mr. FULBRIGHT. That is correct.

Mr. ERVIN. In other words, before a loan can be made, the assets must be 105 percent of the withdrawable accounts.

Mr. FULBRIGHT. That is correct.

Mr. ERVIN. In the third place, they cannot lend more than an amount equal to one-half of 1 percent of all their outstanding loans, or $250,000, whichever is the smaller sum.

Mr. FULBRIGHT. That is correct.

Mr. ERVIN. Is not the bill applicable only to the States, where State savings and loan associations have authority to make loans to the development corporations?

Mr. FULBRIGHT. It would apply only in those States.

Mr. ERVIN. I have been asked by the State authorities of North Carolina to back the amendment. After all, the Constitution of the United States provides that all the legislative power of the Federal Government is vested in Congress, and not in the Federal Home Loan Bank Board, does it not?

Mr. BUSH. Madam President, will the Senator from Arkansas yield for a question?

Mr. FULBRIGHT. I yield.

Mr. BUSH. How would the Senator define a "business development credit corporation," as referred to in the amendment on page 2, in line 2?

Mr. FULBRIGHT. The Senator will recall—for he took a great part in the legislation which created the authority for Federal assistance to these corporations—that many such corporations are now in operation. There is one in my State. Its purpose is to obtain funds from private and public sources for the financing of small businesses. As the Senator will recall, the SBA can loan an amount up to what the credit corporation borrows from other sources. Local banks, insurance companies, and others lend money to these development corporations. They do not lend directly to the ultimate borrower. This is a program designed to furnish capital on longer terms as compared to ordinary bank loans, for the development of small businesses.

The PRESIDING OFFICER. The 10 minutes the Senator from Arkansas has allocated to himself have expired.

Mr. FULBRIGHT. Madam President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for an additional 5 minutes.

Mr. BUSH. Will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. BUSH. I think I understand the situation, but I wish the record to show the purpose of the amendment. I recall our discussions of a few years ago about the purpose of these development corporations; but I want the RECORD to show the purpose in this instance. I think the Senator has explained it well enough. Is it not true that the purpose of a development corporation, as mentioned in this measure, is to develop industry or attract industry to a particular area or State?

Mr. FULBRIGHT. Yes, or to help existing business, by making available longer term loans than those available from banks, under their restrictions, particularly in the case of small firms which cannot readily obtain financing through the usual channels.

Mr. BUSH. Yes.

Mr. FULBRIGHT. These loans are usually in relatively small amounts; they are not very large. The total resources of the First Arkansas Development Finance Corporation are about $2,500,000 at the present time, I believe.

Mr. BUSH. So really the departure in this instance, for the Federal savings and loan associations, is that this measure would authorize them to make unsecured loans.

Mr. FULBRIGHT. They will be secured in the same way that other loans of the Development Loan Corporation are secured.

Mr. BUSH. I understand. But there will not be a mortgage or other security; it will be just a debenture.

Mr. FULBRIGHT. The security will depend on the program of the individual development corporation.

Mr. BUSH. I should like to say that the Senator from Indiana is necessarily absent at the moment; and he has authorized me to say, on his behalf, as the ranking minority member of the committee, that he will support this amendment. And I shall support it, also.

Mr. ERVIN. Madam President, if the Senator will yield to me, let me say that we have had one of these state development corporations, in North Carolina, for approximately 5 years. It has been a wonderful help to small industrial enterprises. The money is loaned, in North Carolina, on the basis of mortgages or deeds of trust.

Mr. FULBRIGHT. That is to say, loaned to the borrowers. But the mortgages do not usually run to the banks or other organizations which contribute to the development corporation.

Mr. ERVIN. Yes.

Mr. FULBRIGHT. I understand that is the question the Senator from Connecticut was asking.

Mr. ERVIN. Yes. In other words, the mortgage runs to the development corporation, not to the savings and loan association.

Mr. FULBRIGHT. That is correct.

Madam President, I ask unanimous consent to have printed at this point in the RECORD a list of the States which have laws which permit their State savings and loan associations to participate. This list was prepared as of the beginning of this year and does not include Indiana which has since passed a law on this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

STATE LAWS ON INVESTMENT BY SAVINGS AND LOAN ASSOCIATIONS IN BUSINESS DEVELOPMENT CREDIT CORPORATIONS

Many State laws have authorized State-chartered savings and loan associations to invest in State-chartered business development credit corporations. Summaries of these provisions are set forth in this memorandum, including particularly references to the limits imposed on the amounts of such investments. The memorandum covers all the State statutes on the subject included in the committee print, "Development Corporations and Authorities," dated December 2, 1959, and in recent issues of the Legal Bulletin of the U.S. Savings & Loan League. The list is believed to be complete; however, a complete analysis of all State statutes has not been made. In addition, in a few cases it is believed that the State statute might be interpreted as authorizing such investments, but not sufficiently clearly to warrant inclusion in this list.

Hawaii: Act 288, regular session laws 1957, approved June 5, 1957, authorizes building and loan associations to become members of business development corporations created under that act and to make loans to them. The law imposes a limit on such loans by an association of 1 percent of the association's total outstanding loans. (Development Corporations and Authorities, p. 188.)

Kentucky: Senate bill 155, laws 1960, approved March 21, 1960, authorizes building and loan associations to become members of business development corporations created under that act and to make loans to them. The law imposes a limit on such loans by associations of 1 percent of the association's total outstanding loans, with a further proviso that a business development corporation may, in its articles of incorporation, reduce the loan limits of building and loan association members to one-half of 1 percent of total outstanding loans. (See U.S.S. & L. Bulletin, July 1960, p. 174.)

Maine: Chapter 104, laws 1949, effective August 6, 1949, created the Development Credit Corp. of Maine, and authorized loan and building associations to become members of it and to make loans to it. The law imposes a ceiling on such loans by associations of 2½ percent of the association's guarantee funds. (Development Corporations and Authorities, p. 199.)

Maryland: Chapter 822, laws 1959, approved May 5, 1959, created the Development Credit Corp. of Maryland and authorized savings and loan associations to become members of it and to make loans to it. The law imposes a limit on such loans by a savings and loan association of 2 percent of the association's guarantee funds, subject to a further overall limit on loans by any member of $250,000. (Development Corporations and Authorities, p. 215; U.S.S. & L. Bulletin, July 1959, p. 169.)

Massachusetts: Chapter 671, acts and resolves, 1953, approved July 3, 1953, created the Massachusetts Business Development Corp. and authorized cooperative banks and savings and loan associations to become members of it and to make loans to it. The law imposes a limit on such loans by a cooperative bank or savings and loan association of 1 percent of the guarantee fund and surplus of the association or cooperative bank (Development Cooperations and Authorities, p. 222).

Minnesota: Chapter 896, session laws, 1957, approved April 29, 1957, authorizes savings and loan associations to become members of development corporations created under that act and to make loans to them. The law imposes a limit on such loans by a savings and loan association of 2½ percent of the association's guarantee funds, surplus and undivided profits (Development Corporations and Authorities, p. 245).

Mississippi: Senate bill 1600, laws, 1960, approved March 23, 1960, authorizes building and loan associations to become members of business development corporations created under that act and to make loans to them. The law imposes a limit on such loans by a building and loan association of 2 percent of the association's outstanding loans. (See U.S.S. & L. Bulletin, May 1960, p. 116.)

New Hampshire: Chapter 328, laws 1951, approved July 10, 1951, created the New Hampshire Business Development Corp. and authorized building and loan associations and cooperative banks to become members of it and make loans to it. The law imposes a limit on such loans by a building and loan association or a cooperative bank of 2½ percent of the guarantee funds of the association or cooperative bank. (Development Corporations and Authorities, p. 248.)

New Jersey: Chapter 218, laws 1957, approved January 6, 1958, appears to authorize savings and loan associations to become members of business development corporations created under the act and to make loans to it. The law imposes a limit on such loans of 2 percent of each member's capital and surplus, or $100,000, whichever is lesser. (Development Corporations and Authorities, p. 266.)

New York: Chapter 863, laws 1955, effective April 29, 1955, created the New York Business Development Corp. and authorized savings and loan associations to become members of it and to make loans to it. The law imposes a limit on such loans by a savings and loan association of 2 percent of the association's guarantee funds, subject to a further overall limit on loans by any member of $250,000. (Development Corporations and Authorities, p. 282.) Chapter 595, laws 1959, approved April 20, 1959, adds a proviso that in the case of a member having capital and surplus in excess of $12,500,000, the overall ceiling is $500,000 instead of $250,000. (U.S.S. & L. Bulletin, July 1959, p. 177.)

North Carolina: Chapter 1146, 1955 session laws, ratified May 20, 1955, authorizes building and loan associations to become members of business development corporations created under the act and to make loans to them. The law originally imposed a limit on such loans by a building and loan association of 1 percent of the association's total outstanding loans which was later reduced to one-half of 1 percent (Development Corporations and Authorities, p. 310).

North Dakota: Chapter 109, laws 1959, approved March 17, 1959, authorizes savings and loan associations to become members of small business investment corporations created under the act and to make loans to them. The law imposes a limit on such loans by savings and loan associations of 2½ percent of the association's guaranty funds, surplus and undivided profits (Development Corporations and Authorities, p. 328).

Oregon: Chapter 660, laws 1959, approved May 27, 1959, authorizes savings and loan associations to become members of development credit corporations created under that act and to make loans to them. The law imposes a limit on such loans by a savings and loan association of 3 percent of the association's capital and surplus (Development Corporations and Authorities, p. 344; U.S.S. & L. Bulletin, July 1959, p. 180).

Pennsylvania: Senate bill 1093, laws 1959, approved December 1, 1959, authorizes building and loan associations to become members of business development corporations created under that act and to make loans to them. The law imposes a limit on such loans by a building and loan association of 2 percent of the association's undivided profits and general reserve funds, subject to a further overall limit on loans by financial institutions of $550,000. Senate bill 1096, laws 1959, approved December 1, 1959, amends the Pennsylvania Building & Loan Code to authorize building and loan associations to invest in shares of any State or regional business development credit corporation created under Pennsylvania law (Development Corporations and Authorities, p. 364; U.S.S. & L. Bulletin, January 1960, p. 48).

Rhode Island: Chapter 3045, Public Laws 1953–54, approved February 11, 1953, created the Rhode Island Development Co. and authorized building and loan associations and cooperative banks to become members of it and make loans to it. The law imposes a limit on such loans by building and loan associations and cooperative banks of 2½ percent of the guaranty funds, surplus and undivided profits of the association or cooperative bank (Development Corporations and Authorities, p. 387).

South Carolina: Act 983, laws 1960, approved May 24, 1960, authorizes savings and loan associations to become members of

county business development corporations created under that act and to make loans to them. The law imposes a limit on such loans by a savings and loan association of 1 percent of the association's total outstanding loans (see U.S.S. & L. Bulletin, September 1960, p. 229).

South Dakota: Chapter 314, session laws 1957, approved March 6, 1957, authorizes savings and loan associations to become nonstockholder members of business development credit corporations created under that act and to make loans to them. The law provides that the articles of incorporation of the business development credit corporation shall determine what lines of credit are to be established by nonstockholder members (Development Corporations and Authorities, p. 146).

Tennessee: Chapter 170, laws 1959, approved March 19, 1959, authorizes savings and loan associations to become members of development credit corporations created under that act and to make loans to them. The law imposes a limit on such loans by a building and loan association of 1 percent of the total outstanding loans of the association, with a proviso that a development credit corporation may, in its articles of incorporation, reduce the loan limit of building and loan associations to one-half of 1 percent of total outstanding loans (Development Corporations and Authorities, p. 424; U.S.S. & L. Bulletin, July 1959, p. 182).

Virginia: Chapter 80, session laws 1960, approved February 24, 1960 (Virginia Code, sections 13.1–140 to 13.1–156), authorizes savings and loan associations to become members of industrial corporations created under that act, and to make loans to them. The law imposes a limit on such loans by savings and loan associations of 1 percent of the association's total outstanding loans.

Washington: Chapter 213, laws 1959, approved March 20, 1959, authorizes savings and loan associations to become members of development credit corporations created under that act and to make loans to them. The law imposes a limit on such loans by savings and loan associations of 3 percent of the association's guarantee and reserve funds (Development Corporations and Authorities, p. 442).

West Virginia: Chapter 25, laws 1959, passed March 10, 1959, authorizes building and loan associations to become members of business development corporations created under the act and to make loans to them. The law imposes a limit on such loans by a building and loan association of 1 percent of the association's total outstanding loans (Development Corporations and Authorities, p. 444).

Wisconsin: Chapter 656, laws 1955, approved November 18, 1955, authorizes savings and loan associations to become nonstockholder members of business development credit corporations created under the act and to make loans to them. The act provides that the articles of incorporation of a business development credit corporation shall determine lines of credit for nonstockholder members (Development Corporations and Authorities, p. 450).

Mr. FULBRIGHT. Madam President, I reserve the remainder of the time available to me.

Mr. ALLOTT. Madam President——

Mr. BUSH. Madam President, in the absence of the minority leader, I control the time available to those who oppose the amendment. I am glad to yield from that time to the Senator from Colorado.

Mr. ALLOTT. I thank the Senator from Connecticut.

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from Alabama has control of this time.

Mr. SPARKMAN. Madam President, under the agreement I would have control of the time only if I were in opposition to the amendment. But I am not in opposition to it.

Mr. BUSH. Madam President, in the absence of the minority leader, I have control of this time; and I yield 5 minutes to the Senator from Colorado.

Mr. ALLOTT. I thank the Senator from Connecticut.

Madam President, I cannot in conscience remain silent at this time.

I speak in opposition to the amendment, first, on the ground that the amendment has not been reported on favorably by the Home Loan Bank Board or by the Bureau of the Budget. However, it would be a simple matter for either group to take 5 minutes to write a letter reporting favorably on the amendment.

Second, I believe the Senate has gone overboard too many times in the consideration of proposals brought up more or less out of the blue sky, here on the floor, and not considered and discussed in committee. No committee hearings have been held on this amendment. In the reports I can find nothing to give me any indication of whether this amendment should or should not be adopted. It is said that 23 States have such laws. But 23 States are less than half the total number of States in the Union.

The third reason why I am opposed to this proposal is that the development loan corporations which we authorized—and I think that was a very good authorization, and the corporations have been utilized to some extent, but not sufficiently, in my own State—are organizations of a local type. These development loan corporations are for the purpose of developing new enterprises that are necessarily speculative, hazardous.

Now it is proposed that we authorize Federal savings and loan associations to invest their funds—even though certain reserves are required—in what we know are often speculative and hazardous enterprises. Certainly we hope they will turn out well. But the reason we authorized these development loan corporations was because there was insufficient venture money in the United States to produce new businesses and to get them going. So we authorized them by statute.

Now it is proposed, by means of this amendment, that we authorize our savings and loan associations to invest in these somewhat speculative, somewhat hazardous ventures or loans. Certainly they are not the type of loan that is contemplated in lending money on a real estate investment—in a home.

Fourth, and last, I think there is a very good reason—and any one of these reasons would cause me to vote against this amendment—for voting against the pending amendment, namely, that, as I stated a few minutes ago, I well remember the chaotic situation which existed in the period in 1933, 1934, and 1935. The Senator from New Mexico alluded to that situation.

I saw many instances of the most unfortunate business practices, which were disclosed at the time of the wrecking of many of our savings and loan institutions. Then the Federal savings and loan associations were authorized, under the Federal Home Loan Bank Board. They brought order out of that chaos. A corporation was established for the insurance of those loans. That brought regulation to the entire situation, to such an extent that today there are very few prominent savings and loan organizations in the United States which have not qualified under the Federal system of insurance, even though they be privately owned.

With that experience and in view of the great good that I know these associations have done—because I know that thousands of people could never have owned their homes if there had not been created a sound Federal savings and loan system in our country—I am unwilling to have this much authority yielded from the Federal Home Loan Bank Board, so as to permit our local associations to invest in what are necessarily venturesome and hazardous projects for them.

Mr. ROBERTSON. Madam President, will the Senator yield?

Mr. ALLOTT. I am very happy to yield.

Mr. ROBERTSON. Is it not true that the Senator from Colorado united with the Senator from Virginia in voting against the Douglas area redevelopment bill?

Mr. ALLOTT. That is true.

Mr. ROBERTSON. Is it not true that the Senator from Colorado agrees with the views also expressed by the Senator from Virginia that the 10th amendment meant what it said and that we should protect the rights of the States?

Mr. ALLOTT. I agree with the Senator.

Mr. ROBERTSON. Then the Senator from Virginia wants to point out that this is an alternative for private industry to do what was proposed to be done under the area redevelopment bill. First, it is going to be redevelopment with private funds under the American system of private enterprise. Second, the States cannot give to federally chartered savings and loan associations the privileges that have been granted to them by the Congress. Under the principle that we should cooperate with the States where we have assumed jurisdiction, this proposal merely states that in those areas where State savings and loan associations can contribute to the development associations, the Federal savings and loan associations can do the same thing, but not more than to the extent of one-half of 1 percent of their loans or $250,000, whichever is lesser. This could in no sense imperil loans for houses, which is the big field of the savings and loan associations.

Mr. ALLOTT. First, the Senator's statement contemplates that he has me on the horn of the States rights dilemma. Not at all, because Federal savings and loan associations are chartered by the Federal Government. Their right to do business does not derive from the States. It derives directly from

the Federal Government. Second, I believe that no one who invests in a savings and loan association believes that his money is ever going to be invested in ventures or hazardous projects or developments of any kind.

Mr. ERVIN. Madam President, will the Senator yield for a question?

Mr. ALLOTT. May I finish answering one question first? Then I shall yield to the Senator.

I would hesitate, as an officer of a Federal savings and loan association, to venture the capital that my friends, my neighbors, my business associates, people I know, have invested in that association. I would hesitate to so use their money, which they thought was going to be invested in first mortgage loans on homes in the particular area in which that association operates. I would not think of putting that money in a venture project such as a development loan project.

I yield.

Mr. ERVIN. If a Federal savings and loan association lost every penny of the loan it made to the development corporation, it would still have 104½ percent of the assets their investors paid into it.

Mr. ANDERSON. Madam President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. ANDERSON. I hope I see things differently than that. It says one-half of 1 percent of the total amount of the loans, not of their reserves, capital and surpluses. They could jeopardize one-fourth of their capital.

Mr. FULBRIGHT. There is also a limit of $250,000, whichever is the lesser.

Mr. ANDERSON. I do not care which figure is used. The Senator has said it does not mean anything. This could mean a great deal.

Mr. ERVIN. A Federal savings and loan association could not loan anything unless it had 5 percent in reserves, undivided profits, or surplus, which means 105 percent of the original investments of its shareholders. If it loaned out all of the 105 percent, it could only loan one-half of 1 percent of the 105 percent to a development credit corporation.

Mr. ANDERSON. No; that is not what the measure says. It says one-half of 1 percent of the amount of their loans.

Mr. FULBRIGHT. There is a further limitation of $250,000; whichever of the two is the lesser. It is a mighty small amount to loan.

Mr. ERVIN. Madam President, if the Senator will yield, in order to loan any money under the amendment, the Federal savings and loan association has to have a 5 percent surplus, which, added to the investment, would amount to 105 percent, and they could loan only one-half of 1 percent of that. It could not loan more than one-half of 1 percent of what it has.

Mr. ANDERSON. Madam President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. ANDERSON. Most of us read the English language. It says "undivided profits, reserves, and surplus." That is the 105 percent. It does not have anything to do with loans. These can be 40 times the amount of the undivided profits, reserves, and surplus. They can loan one-half of 1 percent of the larger sum, not of the 105 percent.

This may be a good proposal, but, if it is, it should not be misrepresented. It is not one-half of the 105 percent that can be loaned. It is one-half of 1 percent of the loans. There are countless building and loan associations that have a million dollars and more, and they can make very substantial loans under this proposal.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLOTT. May I have 1 additional minute?

Mr. BUSH. I yield 1 additional minute to the Senator from Colorado.

Mr. ALLOTT. I think the Senator from New Mexico has brought out a point which is correct in all of its implications. I say again we have not had a report on this proposal. We have not had hearings on it. We have no documentation on the proposal except letters in support of it. I do not think a Federal savings and loan association should be permitted to invest in this kind of hazard. I say, last of all, it is a breach of the trust of the people who invest in savings and loan associations if we permit the associations to invest the funds in this potentially hazardous fashion.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. ALLOTT. I yield back the remainder of my time.

Mr. BUSH. I yield back the remainder of my time.

Mr. ERVIN. Madam President, my understanding is that the money savings accounts in all Federal savings and loan associations are insured by the Federal Savings and Loan Insurance Corporation up to $10,000 per account.

Mr. ANDERSON. Madam President, will the Senator yield me 2 or 3 minutes?

Mr. BUSH. Yes.

Mr. ANDERSON. I am not going to argue the point when the Senator says the money is insured by the Federal Savings and Loan Insurance Corporation. The reason why it is insured by the Federal Savings and Loan Insurance Corporation is that they are not making speculative loans. They are not gambling. When the character of a building and loan association is changed into something that can take speculative gambles, the whole concept of the organization is changed, because there are people who might have to bail building and loan associations out of their bad building projects. There are people here who know what happened to building and loan associations in the past.

I wish this proposal had been brought before the Banking and Currency Committee and people had testified on it. I wish we could have heard from the people who guarantee these loans and heard what they had to say about it. Certain Senators might change their tune on it. This is not a proper measure to be considering on the floor. It should be brought before the committee and we should have an opportunity to get reports on it from people who work in this field. Here is a bill which came up in February. A report has not been made on it by the Budget Bureau. I do not have much money in building and loan associations, but many of us remember the wringer these associations went through in the thirties. I did participate as a relief administrator for people who lost their money in savings and loan institutions when the ones in their hometown went broke. I do not want to see that happen again. That is my sole consideration.

Mr. FULBRIGHT. Madam President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Arkansas has 5 minutes. The minority has 12 minutes.

Mr. FULBRIGHT. Madam President, I do not wish to delay the proceedings any longer. In reply to the Senator from New Mexico, I am sure that the Senator from New Mexico, as is true of all other Senators, has offered many amendments on the floor which have never been considered by a committee. Any Member of the Senate is free to offer an amendment at any time on any bill. To make a big issue out of the fact that such a simple proposal, which does not require hearings to understand its implications, was not subject to hearings before the committee seems to me to be entirely without merit.

With respect to the charge that this type of investment by a Federal savings and loan association is highly risky, I point out that already the banks of these States where these corporations have been formed, are permitted to invest in these development corporations, and these banks are subjected to strict regulation by State and Federal agencies. Any implication that this is some highly speculative, fly-by-night business is completely in error. I do not think the Senator from New Mexico should try to leave the impression that this type of investment is any more speculative than any other kind of new development.

The experience of lending institutions in this type of program has been extremely good. In fact, it has been excellent in my State. I know that the Northeastern part of the Nation has also had good results from their programs.

There was testimony before the Senate committee about the experience of the corporations which were formed in the Northeast when the committee considered the legislation which led to SBA participation in this field.

This proposal is an effort to make a small additional amount of money available for loans to small businesses. The loans are uniformly small. They do not run into millions of dollars. They will not be used to finance great oil companies or other big corporations. I can understand that such a program means nothing to those companies.

To say that this is more speculative than any other kind of local investment is entirely incorrect. The insurance companies, which are under severe restrictions and regulations as to what they can do, are investing in limited amounts, in the same development cor-

porations in many States. The same is true with respect to banks.

The banks are also subject to strict regulation, and 138 banks in Arkansas have already invested small amounts in the First Arkansas Development Finance Corp. The total commitments from these banks are about $1½ million. This is a community affair and these are prudent investments.

I do not understand why the Senator is so concerned about the proposal. There is a limitation of $250,000 on the amount which any one of the associations could lend to a development corporation. As the Senator said so well, the only purpose is to try to help individual companies make a go of it on their own, instead of coming to the Federal Government for a handout. Every time we try to do something like this, the old "bugaboo" is raised about the operation being very speculative and very dangerous, and it is said it would endanger the solvency of savings and loan associations. That is nonsense. Federal savings and loan associations cannot make these loans until they have met the stated requirements, and then only if they are permitted by State law to do so.

As the Senator said, even if these turned out to be bad investments it would not jeopardize the solvency of the company, in view of the limitations contained in the amendment. I do not wish to leave the impression that I think these would be bad investments, for I know they would not be. Experience with this type of credit program has been very good.

That is all I have to say on this amendment.

Mr. ERVIN. Madam President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from North Carolina.

Mr. ERVIN. The North Carolina Business Development Corporation has 1,860 stockholders. Among those stockholders are 92 commercial banks and 13 life insurance companies. The development corporation takes first deeds of trust on the property of the small businesses which obtain loans.

Mr. FULBRIGHT. Yes.

Mr. ERVIN. Such a loan is about as giltedged as a loan could be in any kind of investment.

Mr. FULBRIGHT. All this is a device to try to bring together in a pool the capital needed to fill this special gap in the credit field. Long hearings were held before the Committee on Banking and Currency when I was chairman of the committee, in regard to the gap in credit between what is available, let us say, to a very small grocery store and the credit available to a medium-sized store. Representatives of the Federal Reserve Board came before the committee and testified. The problem was studied for 2 years, and legislation authorizing small business investment companies and assistance to these development companies resulted. Now all we are trying to do is to give the development companies a better opportunity to function properly.

I yield back the remainder of my time.

Mr. ALLOTT. Madam President, I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

Mr. ALLOTT. Madam President, I suggest the absence of a quorum.

Mr. MANSFIELD. Madam President, will the Senator withhold his suggestion?

Mr. ALLOTT. I withhold the suggestion.

Mr. FULBRIGHT. Madam President, I yield back the remainder of my time.

Mr. BUSH. Madam President, have the yeas and nays been ordered?

The PRESIDING OFFICER. There was not a sufficient second.

Mr. BUSH. Madam President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT].

The amendment was agreed to.

Mr. ROBERTSON. Madam President, I call up my amendment "6-2-61—B" and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 89, after line 14, it is proposed to insert the following:

SEC. 708. Section 814 of the Housing Act of 1954, as amended, is amended to read as follows:

"RECORDS

"SEC. 814. Every contract between the Housing and Home Finance Agency (or any official or constituent thereof) and any person or local body (including any corporation or public or private agency or body) for a loan, advance, grant, or contribution under the United States Housing Act of 1937, as amended, the Housing Act of 1949, as amended, or any other Act shall provide that such person or local body shall keep such records as the Housing and Home Finance Agency (or such official or constituent thereof) shall from time to time prescribe, including records which permit a speedy and effective audit and will fully disclose the amount and the disposition by such person or local body of the proceeds of the loan, advance, grant, or contribution, or any supplement thereto, the capital cost of any construction project for which any such loan, advance, grant, or contribution is made, and the amount of any private or other non-Federal funds used or grants-in-aid made for or in connection with any such project. No mortgage covering new or rehabilitated multifamily housing (as defined in section 227 of the National Housing Act, as amended) shall be insured unless the mortgagor certifies that he will keep such records as are prescribed by the Federal Housing Commissioner at the time of the certification and that they will be kept in such form as to permit a speedy and effective audit. The Housing and Home Finance Agency or any official or constituent agency thereof and the Comptroller General of the United States shall have access to and the right to examine and audit such records. This section shall become effective on the first day after the first full calendar month following the date of approval of the Housing Act of 1961."

Mr. ROBERTSON. Madam President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 5 minutes.

Mr. ROBERTSON. I do not think this will be a controversial amendment. I hope not.

Mr. SPARKMAN. Madam President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SPARKMAN. I am perfectly willing to accept the amendment. The Senator from Indiana [Mr. CAPEHART] told me he was willing to do so, also. I believe the Senator from Connecticut [Mr. BUSH] is familiar with the situation.

Mr. BUSH. Madam President, that is correct. The Senator from Indiana [Mr. CAPEHART], who is necessarily absent, authorized me to say that he favors agreeing to the amendment. I do, also.

Mr. SPARKMAN. The amendment provides for orderly keeping of records and for making them available to proper officials.

Mr. ROBERTSON. Exactly so. I shall say no more. As a young lawyer, I learned not to argue further when the court agreed with me.

The PRESIDING OFFICER. Do Senators yield back their remaining time?

Mr. ROBERTSON. I yield back all my time.

Mr. BUSH. I yield back the time in opposition.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. ROBERTSON].

The amendment was agreed to.

Mr. SMATHERS. Madam President, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 77 it is proposed to strike out lines 12 through 15, and to insert in lieu thereof the following:

(1) Section 231(c)(2) of such Act is amended to read as follows:

"(2) not exceed, for such part of such property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), $2,250 per room (or $9,000 per family unit if the number of rooms in such property or project is less than four per family unit): *Provided*, That as to projects to consist of elevator type structures, the Commissioner may, in his discretion, increase the dollar amount limitation of $2,250 per room to not to exceed $2,750 per room and the dollar amount limitation of $9,000 per family unit to not to exceed $9,400 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed $1,250 per room, without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require;".

Mr. SMATHERS. Madam President, I have discussed the amendment with the chairman of the committee and the ranking minority member of the committee, the senior Senator from Indiana, and both favor this particular amendment.

The Federal housing authorities downtown do not oppose the amendment. The administration does not oppose the amendment. The House Committee on Banking and Currency has already approved the amendment, and it is at present in the House bill.

In essence, the amendment would provide a liberalization of section 231, which is the section of the bill which calls for the building of housing for the elderly. It would make it possible for private interests which might be interested in building housing for the elderly to build more than a mere efficiency apartment. Surveys have shown that a number of elderly people, while not having much money, nevertheless would like to have more than an efficiency apartment. They would like to have an apartment with one bedroom and a separate living room, or possibly even two bedrooms. The purpose of the amendment is to allow the FHA Commissioner, in his discretion, to examine an application and determine whether or not a guarantee will be given on this type of housing for the elderly, covering both efficiency apartments and some one- and two-bedroom apartments, which, under present law, cannot be built.

Mr. BUSH. Madam President, as I have said, the Senator from Indiana [Mr. CAPEHART] is necessarily absent. However, he has authorized me to say that he favors the acceptance of the amendment, and I do so also.

Mr. SPARKMAN. Madam President, the Senator from Florida discussed the amendment with me. I believe it is a good proposal and I am willing to accept it. I yield back the remainder of my time.

Mr. SMATHERS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida [Mr. SMATHERS].

The amendment was agreed to.

Mr. SMATHERS. Madam President, since 1957 Congress has been encouraging the sponsoring of housing for the elderly, first under section 207 of the Housing Act, later under section 231, providing mortgage insurance under the administration of FHA. That the program would take a little time to get underway is understandable, but I have been perplexed that Florida should have enjoyed so little benefit from the program even though I have known of many groups proposing projects for location in my State, which has such great concentration and annual increase of elderly population. Until a year ago or thereabouts Florida had won but one application under the program, Douglas Gardens at Miami. Many groups proposing use of the program have been in evidence, but one by one they have faded away. At times I was inclined, from reports reaching me, to criticize FHA and its three underwriting offices in Florida for seeming failure to cooperate with, promote and encourage prospective sponsors who have wanted to use section 231 in the providing of housing for the elderly. Too often well-intentioned groups have been discouraged when approaching FHA with proposals, even groups with substantial backing in their own right and the additional backing of mortgage insurance firms and banks.

During the past year, and much more recently, evidence has come to my office of increasing interest in the section 231 program on the part of those who would sponsor projects and were prepared to meet the FHA requirements attending the 5¼ percent mortgage insurance availability. Two or three more projects have been received by FHA Florida offices in the past year, but I am constantly receiving requests for assistance in getting other proposed projects approved by FHA.

Turning to the hearings attending the pending housing bill we have sought for information that would be revealing of the general story of failure of the section 231 program. But little or no information can we find there. On the subject of housing for the elderly all the emphasis seems to be on the direct loan program for which we last summer appropriated $20 million of a $50 million authorization, presumably for the purpose of piloting housing for low-income groups. For that program a $100 million authorization is now sought in the pending bill.

This emphasis on the degree of subsidy resting in direct loaning at 3½ percent to attain housing for the elderly would seem to mean that the section 231 program had failed, was not being used. However the continuing interest in the program evidenced in my office caused my staff to make some inquiries of FHA authorities concerning the use made of the section 231 program throughout the country. The findings are startling and leave me with a feeling that our slowness in getting housing in Florida must be traceable in very substantial measure to the weakness of the FHA offices in my State. Other States have enjoyed much more substantial benefit from the program.

In the 4 years of availability of the mortgage insurance help to win housing for the elderly under sections 207 and 231, as of April 30, 1961, $144 million of mortgage insurance is involved in projects completed, under construction and justified to the extent of being accepted applications in process at the present time. According to the publication by the Division of Statistics and Research of the FHA, this total is representative of 114 separate projects containing over 14,000 dwelling units.

When I find Arizona with 10 of these projects, California with 15, Colorado with 7, Iowa with 4, Michigan with 4, Oregon with 7, Texas with 9, Washington with 4, and Wisconsin with 9, there need be no wonderment that I bemoan the fact that my State, Florida, with its great and growing population of elderly, should have but 4 of this total of 114 housing projects for the elderly.

Learning that over half of these projects were born since the beginning of the year 1960, and recalling that through the same period of time we had encountered so many Florida interests wanting to sponsor these section 231 projects for the accommodation of the elderly, I am left wondering why we are placing all present emphasis on the direct loan program and failing to recognize the program that has picked up such great acceptance in the last year.

One of the four sponsors of Florida 231 projects, one in the course of construction, now inquires of my office to know whether they can renegotiate their financing from mortgage insurance at 5¾ percent and have the benefit of the 3½ percent direct loan program about which so much is being written and talked. The writer says such a renegotiation would mean a saving of as much as $20 per month in their rental charge for a unit of housing. He inquires also whether the denominational nonprofit organization he represents as sponsor of the project is going to be up against the competition of a direct loan project when the actual cost of a dwelling unit is about the same under one program as the other. "Is the direct loan program going to be for residence only by those elderly whose incomes are so limited that they cannot afford to pay the very reasonable and low rates our project will require," is a serious question with which the writer concludes his letter.

It seems to me that unless we restrict the use of this proposed direct loan money we are going to find ourselves walking into a pot of boiling water. I called the Special Assistant for Elderly Housing at FHA to inquire regarding the subject and questions of the aforementioned letter and was advised by him that there has been no policy determination as yet as to when and where the direct loan program would apply for use. He told me that the institution of the direct loan program last fall had very materially slowed the filing of added section 231 projects long in the making, that sponsors are sitting back to see whether they could get in under the direct loan program being administered by HHFA. He thought there were several hundred projects, planned for advancement by sponsors as 231 projects, which would not file applications unless and until they knew they could not get in under the direct loan program.

We had better think twice before we pass this pending housing bill without making clear a congressional intent to confine the direct loan program to the accommodation of people of limited income.

Why substitute with subsidy in those cases where there is readiness and ability to accommodate the elderly with projects which pay their own way?

Why hinder and in effect put an end to a program that church and fraternal groups have used and will continue to use to meet the wants of the elderly without Government subsidy? Obviously such groups are not going to continue in that direction so long as there exists a prospect of access to direct loaning.

We are led to believe that $100 million will be all that is required to finance the direct loan program for the year. But unless tight limitations covering its use

are fixed we can be quite certain that such an amount will not begin to cover the demand that will be found to exist. Two authorities have advised me that the demand in the first year could be as much as $2 billion if the program is permitted to absorb all all the projects anticipated of sponsorship throughout the country.

$100 million? What can Congress be expected to do when church and fraternal sponsors of existing section 231 projects ask that they be treated as favorably as are new like groups which enjoy the large benefit of the direct loan program? That aggregate of mortgage insurance is $144 million.

Unless the committee presenting the pending bill is prepared to reveal understandings and limitations agreed upon in the administration of the direct loan program, the bill ought to await passage until the committee can write those limitations after further hearings of intent by the administration of HHFA. At the very least we ought to here and now amend the bill to provide that in no event shall the authorization for loaning under this program exceed $100 million in a calendar year. Perhaps we retain some controls by reason of the power of appropriating committees to limit the money available, but I would think the Senate would want to do whatever is possible of doing to permit the existing section 231 program of housing for the elderly to supply the need in that large field which appears ready to use it, but not if it is going to have to compete with subsidy housing.

If we are wanting to ease the way for sponsors and encourage the building of more housing for the elderly, why not apply that easing to the section 231 program by lowering a bit the existing 5¼ percent interest requirement, by causing FNMA to abandon its 2-percent discount rate, and by reducing the one-half of 1 percent FHA mortgage insurance premium.

The Federal Housing Administration could help its own section 231 program along materially if only it would see to it that there was such administration in its field offices as would give full cooperation to sponsors of elderly housing

I will be the last to object to meeting the growing want for housing for the elderly. But I do not like the idea of direct loaning at rates lower than can be afforded by private industry to accommodate that large element of our elderly who are ready and able to afford the accommodations wanted by using the existing mortgage insurance program available to those who would sponsor the housing.

Mr. HARTKE. Madam President, I call up my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Indiana will be stated.

The LEGISLATIVE CLERK. On page 36, between lines 15 and 16 it is proposed to insert a new section, as follows:

ENCOURAGEMENT OF HOUSING FOR THE ELDERLY THROUGH CERTAIN TAX INCENTIVES

SEC. 202. (a) Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 181. Amortization of housing facilities for elderly persons of low income

"(a) ALLOWANCE OF DEDUCTION.—

"'(1) ORIGINAL OWNER.—Any person who constructs a housing facility for elderly persons of low income (as defined in subsection (d)(3)) shall, at his election, be entitled to a deduction with respect to the amortization of the adjusted basis (for determining gain) of such facility based on a period of 60 months. The 60-month period shall begin as to any such facility, at the election of the taxpayer, with the month following the month in which the facility was completed, or with the succeeding taxable year.

"SUBSEQUENT OWNERS.—Any person who acquires a housing facility for elderly persons of low income from a taxpayer who—

"(A) elected under subsection (b) to take the amortization deduction provided by this subsection with respect to such facility, and

"(B) did not discontinue the amortization deduction pursuant to subsection (c)(1), shall, at his election, be entitled to a deduction with respect to the adjusted basis (determined under subsection (f)(2)) of such facility based on the period, if any, remaining (at the time of acquisition) in the 60-month period elected under subsection (b) by the person who constructed such facility. This paragraph shall not apply if, prior to the time of acquisition of such facility, the amortization deduction has been terminated under subsection (c)(2).

"(3) AMOUNT OF DEDUCTION.—The amortization deduction provided in paragraphs (1) and (2) shall be an amount, with respect to each month of the amortization period within the taxable year, equal to the adjusted basis of the facility at the end of such month, divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction above provided with respect to any month shall be in lieu of the depreciation deduction with respect to such facility for such month provided by section 167.

"(b) ELECTION OF AMORTIZATION.—The election of the taxpayer under subsection (a)(1) to take the amortization deduction and to begin the 60-month period with the month following the month in which the facility was completed shall be made only by a statement to that effect in the return for the taxable year in which the facility was completed. The election of the taxpayer under subsection (a)(1) to take the amortization deduction and to begin such period with the taxable year succeeding such year shall be made only by a statement to that effect in the return for such succeeding taxable year. The election of the taxpayer under subsection (a)(2) to take the amortization deduction shall be made only by a statement to that effect in the return for the taxable year in which the facility was acquired. Notwithstanding the preceding three sentences, the election of the taxpayer under subsection (a) (1) or (2) may be made, under such regulations as the Secretary or his delegate may prescribe, before the time prescribed in the applicable sentence.

"(c) TERMINATION OF AMORTIZATION DEDUCTION.—

"(1) TERMINATION BY TAXPAYER.—A taxpayer which has elected under subsection (b) to take the amortization deduction provided in subsection (a) may at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary or his delegate before the beginning of such month.

"(2) TERMINATION BY SECRETARY.—The amortization deduction provided in subsection (a) shall terminate with respect to any housing facility for elderly persons of low income if the Secretary or his delegate finds that, during any month, any of the occupied dwelling units in such facility, or of which such facility is a part, is not occupied by an elderly person of low income (within the meaning of subsection (d)(4)). Such termination shall be effective as of the beginning of the month in respect of which such finding is made.

"(3) DEPRECIATION DEDUCTION.—The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction with respect to such facility.

"(d) DEFINITIONS.—For purposes of this section—

"(1) ELDERLY PERSON OF LOW INCOME.—The term 'elderly person of low income' means, with respect to any housing facility, an individual who has attained the age of 60 and—

"(A) whose annual income, together with the annual incomes of all individuals who maintain their principal place of abode with him, is below the median annual family income of families residing in the area in which such housing facility is located, and

"(B) who cannot afford to pay sufficient rent to cause private enterprise in such area to provide him and the individuals who maintain their principal place of abode with him with decent, safe, and sanitary rental housing.

"(2) HOUSING FACILITY.—The term 'housing facility' means any property which provides 8 or more dwelling units, and any property which together with other adjacent property or properties of the taxpayer provides 8 or more dwelling units. Such term includes only property of a character which is subject to the allowance for depreciation provided in section 167.

"(3) HOUSING FACILITIES FOR ELDERLY PERSONS OF LOW INCOME.—The term 'housing facility for elderly persons of low income' means any housing facility—

"(A) the construction of which is completed after December 31, 1960,

"(B) which is constructed to provide rental housing for elderly persons of low income,

"(C) the dwelling units in which, or of which such housing facility is a part, are specially designed for the use and occupancy of elderly persons, and

"(D) with respect to which a certificate has been issued by the Housing and Home Finance Administrator under subsection (e). If any housing facility is converted, through alteration, reconstruction, or remodeling, into a housing facility for elderly persons of low income (as defined in the preceding sentence), or if any housing facility for elderly persons of low income (as so defined) is altered, reconstructed, or remodeled so as to increase the number of dwelling units in such facility, or of which such facility is a part, such alteration, reconstruction, or remodeling shall be treated as the construction of a housing facility for elderly persons of low income. The term housing facility for elderly persons of low income does not include any housing facility which is constructed or acquired with funds granted or loaned, or the repayment of which is guaranteed or insured, by the United States or any

agency or instrumentality of the United States, or by any State or political subdivision thereof or any agency or instrumentality of any State or political subdivision.

"(4) OCCUPANCY OF DWELLING UNITS BY ELDERLY PERSONS OF LOW INCOME.—A dwelling unit shall be considered as occupied by an elderly person of low income only if—

"(A) the dwelling unit is the principal place of abode of one or more elderly persons of low income, and

"(B) if any individual (other than the spouse of an elderly person of low income) who is not an elderly person of low income also makes such dwelling unit his principal place of abode, the combined adjusted gross incomes of all such individuals is less than the combined adjusted gross incomes of the elderly persons of low income and their spouses who make such unit their principal place of abode.

"(e) CERTIFICATION BY HOUSING AND HOME FINANCE ADMINISTRATOR.—

"(1) APPLICATION.—Any person who after December 31, 1961, completes the construction of a housing facility for elderly persons of low income may apply to the Housing and Home Finance Administrator for a certificate under this subsection. Such application shall be filed at such time, shall be in such form, and shall contain such information as the Administrator may prescribe by regulations.

"(2) REQUIREMENTS.—The Administrator shall issue a certificate with respect to a housing facility if he is satisfied that—

"(A) such housing facility has been constructed to provide rental housing for elderly persons of low income, and the dwelling units in such housing facility, or of which such housing facility is a part, are specially designed for the use and occupancy of elderly persons;

"(B) no part of the cost of the construction of such housing facility has been or will be defrayed from funds granted or loaned, or the repayment of which is guaranteed or insured, by the United States or any agency or instrumentality of the United States, or by any State or political subdivision thereof or any agency or instrumentality of any State or political subdivision;

"(C) the portion of the cost of construction of such housing facility allocable to each dwelling unit does not exceed an amount prescribed by the Administrator for the area in which such housing facility is located; and

"(D) for a period of twenty years commencing with the completion of the construction of such housing facility—

"(i) the dwelling units in such housing facility, or of which such facility is a part, will be made available solely for occupancy by elderly persons of low income, and

"(ii) the rent which will be charged for occupancy of a dwelling unit will not exceed such amount as the Administrator may approve as being within the ability of elderly persons of low income residing in the area in which such facility is located to pay.

The Administrator may require an applicant to provide such assurances with respect to the requirements of subparagraph (D) as he may prescribe by regulations and such additional assurances with respect to such requirements as he may prescribe with respect to any housing facility. Such assurances shall be in such form as the Administrator deems necessary to insure compliance with such requirements, and may include covenants, conditions, and bonds.

"(3) REMODELED HOUSING FACILITY.—In the case of a housing facility for elderly persons of low income within the meaning of the second sentence of subsection (d)(3), the cost of construction referred to in paragraph (2) means only the cost of the alteration, reconstruction, or remodeling which constitutes construction within the meaning of such sentence.

"(4) PRELIMINARY CERTIFICATION.—An application under paragraph (1) may be filed with respect to any housing facility prior to the completion of the construction of such housing facility. The Administrator may, by regulations, provide for the issuance of a conditional certificate to any such applicant if it appears from the information contained in his application that such housing facility will, upon completion, fulfill the requirements for a certificate prescribed by paragraph (2).

"(5) REGULATIONS.—The Administrator shall prescribe such regulations as he deems necessary to carry out the provisions of this subsection.

"(f) DETERMINATION OF ADJUSTED BASIS.—

"(1) ORIGINAL OWNERS.—For purposes of subsection (a)(1), in determining the adjusted basis of any housing facility for elderly persons of low income—

"(A) if the construction of such facility was begun before January 1, 1961, there shall be included only so much of the amount of the adjusted basis (computed without regard to this subsection) as is properly attributable to construction after December 31, 1960; and

"(B) if the facility is a housing facility for elderly persons of low income within the meaning of the second sentence of subsection (d)(3), there shall be included only so much of the amount otherwise included in such adjusted basis as is properly attributable to the alteration, reconstruction, or remodeling.

"(2) SUBSEQUENT OWNERS.—For purposes of subsection (a)(2), the adjusted basis of any housing facility for elderly persons of low income shall be whichever of the following amounts is the smaller:

"(A) the basis (unadjusted) of such facility for purposes of this section in the hands of the transferor, donor, or grantor, adjusted as if such facility in the hands of the taxpayer had a substituted basis within the meaning of section 1016(b); or

"(B) so much of the adjusted basis (for determining gain) of the facility in the hands of the taxpayer (computed without regard to this subsection) as is properly attributable to construction after December 31, 1960.

"(3) SEPARATE FACILITIES; SPECIAL RULE.—If any existing housing facility for elderly persons of low income as defined in the first sentence of subsection (d)(3) is altered, reconstructed, or remodeled as provided in the second sentence of subsection (d)(3), the expenditures for such alteration, reconstruction, or remodeling shall not be applied in adjustment of the basis of such existing facility but a separate basis shall be computed as if the part altered, reconstructed, or remodeled were a new and separate housing facility for elderly persons of low income.

"(g) DEPRECIATION DEDUCTION.—If the adjusted basis of a housing facility for elderly persons of low income (computed without regard to subsection (f)) exceeds the adjusted basis computed under subsection (f), the depreciation deduction provided by section 167 shall, despite the provisions of subsection (a)(3) of this section, be allowed with respect to such facility as if the adjusted basis for the purpose of such deduction were an amount equal to the amount of such excess.

"(h) LIFE TENANT AND REMAINDERMAN.—In the case of property held by one person for life with remainder to another person, the amortization deduction provided in subsection (a) shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant.

"(i) CROSS REFERENCE.—

"For special rule with respect to gain derived from the sale or exchange of property the adjusted basis of which is determined with regard to this section, see section 1238."

(b)(1) The table of sections for part VI of the subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof

"Sec. 181. Amortization of housing facilities for elderly persons of low income."

(2) Section 1238 of the Internal Revenue Code of 1954 (relating to amortization in excess of depreciation) is amended by inserting after "section 168 (relating to amortization deduction of emergency facilities)" the following: "or section 181 (relating to amortization deduction of housing facilities for elderly persons of low income)".

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1960.

On page 36, line 18, strike out "202" and insert "203".

On page 37, line 2, strike out "203" and insert "204".

On page 37, line 18, strike out "204" and insert "205".

On page 38, line 8, strike out "205" and insert "206".

On page 39, line 10, strike out "206" and insert "207".

On page 40, line 23, strike out "207" and insert "208".

On page 41, line 23, strike out "208" and insert "209".

AMENDMENT OF INDIAN CLAIMS COMMISSION ACT

Mr. ANDERSON. Madam President, will the Senator from Indiana yield to me 2 minutes on his amendment?

Mr. HARTKE. I yield.

Mr. ANDERSON. Madam President, I ask that the Chair lay before the Senate the amendments of the House of Representatives to Senate bill 751.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 751) to amend the Indian Claims Commission Act, which were, to strike out all after the enacting clause and insert:

That section 23 of the Indian Claims Commission Act approved August 13, 1946 (60 Stat. 1049, 1055; 25 U.S.C. sec. 70v), is hereby amended to read as follows:

"SEC. 23. The existence of the Commission shall terminate at the end of five years from and after April 10, 1962, or at such earlier time as the Commission shall have made its final report to the Congress on all claims filed with it. Upon its dissolution the records of the Commission shall be delivered to the Archivist of the United States."

And to amend the title so as to read: "An Act to terminate the existence of the Indian Claims Commission, and for other purposes."

Mr. ANDERSON. Madam President, I move that the Senate concur in the House amendments. I have discussed this subject with both the majority leader and the minority leader, and the majority and minority ranking members of the Committee on Interior and Insular Affairs having committee jurisdiction, and they have no objection to the suggested action.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico [Mr. ANDERSON].

The motion was agreed to.

HOUSING ACT OF 1961

The Senate resumed the consideration of the bill (S. 1922) to assist in the provision of housing for moderate and low-income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

The PRESIDING OFFICER. How much time does the Senator from Indiana yield to himself?

Mr. HARTKE. I yield myself 5 minutes.

Madam President, the amendment has been discussed with the chairman of the Subcommittee on Housing, the senior Senator from Alabama [Mr. SPARKMAN], and also the senior Senator from Indiana [Mr. CAPEHART], the ranking Republican member of the committee. The senior Senator from Indiana has indicated to me that he is in favor of the amendment. I believe members of his staff will be able to verify that statement.

Mr. BUSH. Madam President, will the Senator yield?

Mr. HARTKE. I yield.

Mr. BUSH. I have not had an opportunity to study the amendment, but I notice that it is an amendment which deals with the subject of taxes.

Mr. HARTKE. The Senator is correct.

Mr. BUSH. I wonder if it is appropriate for the Senate to legislate a tax measure on a housing bill. I ask my friend the distinguished Senator from Alabama, who is in charge of the bill, what he has to say on that subject?

Mr. SPARKMAN. Madam President, will the Senator yield?

Mr. HARTKE. I am glad to yield to the Senator from Alabama.

Mr. SPARKMAN. When the junior Senator from Indiana discussed this subject with me I raised exactly the same question with him. I called his attention to the fact that the committee had always been quite careful to avoid dealing with tax legislation. I reminded him, however, that he was a member of the Committee on Finance. I suggested yesterday that he have the amendment printed and have it available on the table so that any member of the Committee on Finance who might have objection to it could so state.

I am in favor of the principle contained in the amendment. I have great respect for the jurisdiction of the various committees. I note the presence in the chamber of other members of the Committee on Finance. I think it is up to the members of the Committee on Finance to raise objections to the amendment, if they care to do so.

Mr. BUSH. Madam President, I think any Senator could raise an objection to the amendment.

Mr. SPARKMAN. I wish to make myself clear. I said to the Senator from Indiana that I favored the principle and I would not oppose the amendment, but I see in it a jurisdictional involvement, involving the committee on which he serves.

Mr. BUSH. Madam President, will the Senator from Indiana yield?

Mr. HARTKE. I yield.

Mr. BUSH. I not only object to the amendment on the basis of jurisdiction, but also on the basis of principle, namely, dealing with selective tax revision in a housing bill.

Mr. HARTKE. Madam President, I discussed this subject with the senior Senator from Indiana [Mr. CAPEHART], and he has stated that he is willing to accept the amendment. The amendment would not affect any revenue at the present time. No homes of the sort covered are presently being built. The amendment would provide for amortization over a 60-month period for people who are willing to construct homes for the elderly. The amendment would affect none of the parts of the bill presently before this body. In other words, no tax revenue is being derived from this type of building at the present time. The amendment would provide for private investment of capital in housing for the elderly. If any of the type of buildings covered were constructed, the amendment would provide not alone jobs for those building that type of structure, but would provide an opportunity for those who are willing to invest their money to move into a new field, and it would provide for the Treasury some additional taxation from a source from which no revenue is coming at the present time.

Mr. BUSH. I think the Senator from Indiana makes an interesting argument for the purposes of the amendment, but I still object on the basis that the amendment would give a special tax privilege to a special builder for a special purpose. I cannot see the justice of so doing. If we attach little tax privileges to every bill that comes before us, the tax laws will soon be rewritten in this session.

Therefore, I shall have to oppose the amendment, not on the basis of merit, but on the basis that this is the wrong place and time to consider this question, and we should not be giving special tax advantages in this kind of bill or in any kind of bill. If tax deduction privileges are to be proposed, I believe the question should come before the Committee on Finance, and hearings should be held, with reasons stated as to why this particular operation should enjoy a tax advantage or special tax consideration.

So with all respect to my good friend and his senior colleague, I shall have to oppose the amendment on that basis.

Mr. HARTKE. Madam President, the purpose of the amendment to the housing bill is very simple. It is presented as an amendment for the reason that it deals with housing, and if we are to provide decent housing for the 16 million people who are now over the age of 65, it is apparent that it would be more desirable to try to finance the additional housing through private investment rather than to have the financing come from the Government in the form of either a direct subsidy, loans, or grants.

The PRESIDING OFFICER. Does the Senator from Connecticut raise the question of constitutionality?

Mr. BUSH. Madam President, I did not raise the question of constitutionality, but if there is one available, I will raise it. I ask if a point of order is involved. I ask the Chair to rule on the question as to whether a point of order is involved in connection with tax legislation on a housing bill.

The PRESIDING OFFICER. The Chair reads from page 20 of Senate Procedure:

> The question of the constitutionality of a measure originating in the Senate as being revenue raising in nature or the constitutionality of a revenue raising amendment is submitted by the Presiding Officer directly to the Senate for determination.
>
> It is not within the province of the Presiding Officer to rule a bill or an amendment out of order on the ground that it is unconstitutional; the Presiding Officer has no authority or power to pass on the constitutionality of a measure or amendment; that is a matter for the Senate itself to decide.

The Chair, therefore, submits to the Senate the question, Is the amendment in order?

Mr. HOLLAND. The question is debatable, is it not?

The PRESIDING OFFICER. The question is debatable.

Mr. HOLLAND. I thank the Chair.

Mr. BUSH. Madam President, I suggest the absence of a quorum, and I ask unanimous consent that the time be not charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUSH. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. Madam President, I am prepared to yield back the remainder of my time.

Mr. HARTKE. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The request is out of order.

Mr. MANSFIELD. I yield 2 minutes to the Senator from Florida.

Mr. HOLLAND. The Senator from Florida does not know what the point of order involves. He is being asked to vote on whether an amendment is constitutional, without hearing any argument on it. That kind of procedure cannot be justified.

Mr. MANSFIELD. I was trying to help the Senator by giving him some time so that he could speak on it.

Mr. HOLLAND. I am not in the position to argue the point. I am being asked to vote on the constitutionality of a proposal without knowing what the proposal is and without having an opportunity to square it against the provisions of the Constitution. Both sides have offered to yield back the remainder of their time. Therefore we cannot learn anything about it.

Mr. BUSH. Madam President, I reserve my time, for the moment. We have been discussing the merits of this question for about 20 minutes. If the Senator was not present in the Chamber, I am sorry. I have insisted that this is not an appropriate proposal to be considered in connection with the housing bill, and that it should be referred to

the Committee on Finance. It deals with taxes. I oppose it on that basis.

Mr. TALMADGE. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TALMADGE. I read from the unanimous-consent agreement:

"Ordered, That * * * debate on any motion or appeal, except a motion to lay on the table, shall be limited to 1 hour."

Inasmuch as there is a motion before the Senate to determine whether the Senate has constitutional authority to consider the amendment, I ask whether this question is outside the unanimous-consent agreement.

The PRESIDING OFFICER. The Chair is advised that 30 minutes is allowed to each side for discussing the constitutionality of the amendment.

Mr. TALMADGE. I thank the Chair.

Mr. BUSH. Madam President, in order to dispose of the question, I move that the amendment be referred to the Committee on Finance.

The PRESIDING OFFICER. The Chair is advised that the motion of the Senator from Connecticut is out of order.

Mr. BUSH. I move that the amendment be laid on the table.

The PRESIDING OFFICER. No debate is permitted on a motion to lay on the table. (Putting the question.)

Mr. BUSH. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. BUSH. I withdraw the request.

The PRESIDING OFFICER. The motion before the Senate is to lay on the table the amendment offered by the Senator from Indiana [Mr. HARTKE]. The question is on agreeing to the motion.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Madam President, yesterday an amendment was offered which contained a technical defect. I refer to the amendment which was offered by the Senator from Alaska [Mr. GRUENING]. It related to the additional cost per room for housing in Alaska. It is an amendment on page 42, lines 5 and 6 of the bill. If reference is made to the bill I can point out the error that was made. In the second line of the amendment there were the words "$2,000 per room." Those words were included within quotation marks. They should not have been included. I ask unanimous consent for the reconsideration of the vote by which the amendment was adopted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Now I send to the desk the corrected amendment and ask for its approval.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 42 it is proposed to substitute the following for lines 5 and 6: "(2) striking in paragraph (5) '($2,500 per room in the case of Alaska or in the case of accommodations designed specifically for elderly families),' and inserting in lieu thereof '($3,000 per room in the case of Alaska, or in the case of accommodations designed specifically for elderly families $3,000 per room and $3,500 per room in the case of Alaska)';"

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama.

The amendment was agreed to.

Mr. CAPEHART. Madam President, I call up my amendment "J."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, beginning with line 18, strike out all through line 16, on page 6.

On page 6, line 17, strike out "(8)" and insert in lieu thereof "(6)".

On page 7, line 15, strike out "(9)" and insert in lieu thereof "(7)".

On page 8, line 4, strike out "(10)" and insert in lieu thereof "(8)".

On page 8, strike out line 21.

On page 8, line 22, strike out "(12)" and insert in lieu thereof "(9)".

On page 9, beginning with line 6, strike out all through the period in line 20.

On page 9, lines 21 and 22, strike out "subsection (d)(2) or (d)(4) of".

On page 10, line 4, strike out "(13)" and insert in lieu thereof "(10)".

On page 10, beginning with the colon in line 20, strike out all through line 6, on page 11, and insert in lieu thereof a period.

On page 12, line 3, strike out "(14)" and insert in lieu thereof "(11)".

On page 12, line 6, strike out "; and" and insert in lieu thereof a period.

On page 12, strike out lines 7 through 9.

On page 12, beginning with line 24, strike out all through line 10 on page 13.

On page 72, beginning with line 20, strike out all through line 3 on page 73, and insert in lieu thereof the following:

(e) Section 212 of such Act is amended by striking out in the second sentence of subsection (a) "any mortgage under section 220" and inserting in lieu thereof "any loan or mortgage under section 220 or section 233".

Mr. CAPEHART. Madam President, to begin with, I allocate only 5 minutes to myself. I shall not take very long, because the amendment was discussed at great length last week.

I think the amendment speaks for itself. It would strike from the bill a new section by which FHA insurance would be extended to 40-year mortgages. A 40-year provision is in the present law and has been there for a number of years. However, it applies only—and I think possibly rightly—to persons displaced by an act of Government, such as urban renewal or highway construction, or for some other reason beyond the control of the home owner. In that instance, the Government wants the land on which the house is situated. The Government takes the property and the owner must move. He must find and buy a new house, and he must move. Under those circumstances, Congress has been very liberal and has provided that the Government will insure such a mortgage up to 40 years.

The bill contains a provision that public housing authorities may build houses for rental purposes for people in the so-called middle-income class. Therefore, there is injected into the bill public housing for so-called middle-income people, the housing to be built by public authorities anywhere in the United States. That, I think, is bad, as is also the 40-year provision. I think the whole section ought to be rejected.

The administration and Senators who have advocated this section have done so on the basis that the program was to be a 2-year experiment. In other words, there must have been some doubt about the practicability and sensibility of it, or they would not have said it was to be an experiment. They admit that they have referred to it as an experimental policy and propose to try it out for a couple of years. That is proof that they are not certain that it is a good policy. I do not think it is good. I do not believe the people will be rendered a service by selling them houses and giving them 40 years to pay for them, with no downpayment. I am certain that the U.S. Government, the housing business, and the people of the country will not be done any good if mayors or other public officials of cities in the United States organize public authorities so as to include middle-income people in public housing projects, because the bill also permits, under those circumstances, reduced interest rates.

Mr. SALTONSTALL. Madam President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. SALTONSTALL. Do I correctly understand that the Senator's amendment proposes to strike out all the provisions relating to the 40-year, no-downpayment plan?

Mr. CAPEHART. It would strike out the provision which relates to the inclusion of middle-income people in public housing.

Mr. SALTONSTALL. It does not apply to housing for the elderly?

Mr. CAPEHART. It does not apply to housing for the elderly, to college housing, or to any other sections of existing law. In other words, this is a new section which the committee wrote into the bill, or which the administration advocated.

By eliminating this provision, the present law, which has been in effect for many years, will remain as it is. There was no testimony—at least, no profound testimony—that such a provision was needed. It is an experiment. The administration freely admitted that it was contemplated as an experiment, and that it would be tried out for a couple of years, to see how it worked.

The worst section in the present law, so far as repossessions and defaults are concerned, is the section I described a moment ago, which permits mortgages to be guaranteed up to 40 years, with no downpayments, for displaced persons. So there is no need for the proposal

which has been placed in the bill. I think it goes beyond what the people who originally conceived the idea of FHA insured mortgages ever had in mind.

Madam President, I do not see any necessity for the provision. I think we will regret the day it is adopted, if it is adopted in this Congress. I think the period for the mortgage is entirely too long. I hope this section will be eliminated. To do so would not weaken the FHA. To do so would not weaken the Housing Act, because this proposal is new; it has never been tried before.

Another bad feature is that while we talk about the provision being for middle-income people, there is no definition of middle-income people.

There is no definition of the respective income groups.

While the bill provides that the housing shall be for middle-income people, it does not in any way spell out what is meant by middle-income people. It merely provides that the Federal Housing Commissioner may insure FHA mortgages up to 40 years without any downpayment on a house which does not cost more than $15,000. The cost does not need to go that high.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CAPEHART. I yield myself another 3 minutes.

It should not take long for a Senator to make up his mind on this question. There is no reason to debate it at length. The question is whether we want to include in the housing legislation a new section which will provide for 40-year mortgages. That is the question. Do we want to liberalize the law to that extent? In my opinion, to do so would constitute a start toward weakening the housing institution.

Mr. COOPER. Madam President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. COOPER. I was interested in the Senator's statement that no evidence was introduced in the hearings concerning the eligibility of persons to secure these loans.

Mr. CAPEHART. That is correct.

Mr. COOPER. Is there anything in the bill or in the hearings which establishes the criteria for eligibility for so-called middle-income loans?

Mr. CAPEHART. The provision covers both rental properties and sale properties. One may build houses on the 40-year mortgage, no-downpayment plan and then rent the property, or he may buy and sell houses on that basis to individual buyers.

As I said a moment ago, a public authority may be established under this section to build housing at a reduced interest rate, a rate as low as 3⅛ percent. The result would be subsidized public housing.

Mr. COOPER. I understand that; but is there anything in the bill which establishes or defines eligibility?

Mr. CAPEHART. I wish to be fair and honest. I do not think there is. The able Senator from Alabama [Mr. SPARKMAN] will speak on the amendment shortly. He may disagree with me on this point, but I do not think he will. I believe the formula or test of the criteria is that a 40-year mortgage, with no downpayment, cannot be insured, if the house costs more than $15,000.

The PRESIDING OFFICER. The time of the Senator from Indiana has again expired.

Mr. CAPEHART. I yield myself 5 more minutes.

Mr. COOPER. Was there any evidence to indicate that when a person received a loan to build a house, he would obtain any equity in the house?

Mr. CAPEHART. He would receive no equity. I think the testimony was that it would be 7 years before he would have any equity in it; and I think there was testimony to the effect that at the end of 20 years the house would be worth less than the total amount of the payments—beyond the interest—which had been made up to that time. So there is nothing sound about the proposal.

On page 4 of the report, at the top of the page, we find this statement:

> Proposals designed to provide Federal assistance for housing families who are not eligible for low-rent public housing, but who cannot afford decent privately financed housing, are not new to this committee.

Just what does that statement mean? In all fairness, I wanted to read it, because, although it is a criterion, there is nothing specific about it.

Madam President, I hope very much that the new 40-year mortgage provisions will be stricken from the bill. If they are not, I hope it will be amended so as to make it more practical, more workable, and more in the interest of those who buy houses, because this provision would invite a person to purchase a house on the basis of a 40-year-repayment plan, with no down payment; and he could live in the house 3, or 4, or 5 years, have no equity whatever in the house, proceed to wreck the house while he was living in it, and then leave it. In that event, the Federal Government would have to repossess the house, then in a wrecked condition. In my opinion, that would weaken the HHFA, which has been a good institution. I believe there could be no other result, because I do not believe Congress can change human nature. I think many persons would purchase such houses; and I think many of them would live in the houses for 3, 4, or 5 years, and then would walk out; and I believe that in that period of time they would, unfortunately, wreck the houses, because I do not think anyone who would buy a house on such a basis would have any feeling other than that he was only paying rent, and he would not have any particular feeling of responsibility for the maintenance of the house in good condition, because he would know that long before the 40 years had passed, the house would be in quite bad condition. I would not attempt in any way to belittle any of the houses or their quality; but I believe that such houses, which would cost up to $15,000, would be in bad condition after 40 years had elapsed.

Many people—particularly the kind of people who might take advantage of such a proposal—move from town to town and from neighborhood to neighborhood, because their jobs require them to move or because they lose one job and get a new one, somewhere else.

So I think this proposal would have an extremely bad effect on the Housing Authority; and I believe the best proof of that is found in the fact that those in the administration who are advocating this program say it is experimental. But it is impossible to experiment with such an arrangement within a period of 2 years. Such an experiment would take 10 years. Two years would not be sufficient, because it would take some time for the program to get underway, and soon the 2 years would have gone by.

So, Madam President, I hope this amendment will be adopted.

Mr. SPARKMAN. Madam President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 10 minutes.

Mr. SPARKMAN. Madam President, the amendment of the Senator from Indiana strikes at the heart of the bill.

I wish to correct one statement the Senator from Indiana made; I am sure it was only a slip of the tongue. The amendment of the Senator from Indiana does not relate at all to sales property. It relates only to rental property which is built for the purpose of making rental housing available to families of low income who could not otherwise afford to have decent, safe, and sanitary housing.

Madam President, this proposal was not brought to life by the Kennedy administration. I wonder whether the Senator from Indiana realizes the source of the proposal. In 1953, President Dwight D. Eisenhower appointed an advisory commission to make a study of housing and to make recommendations. This is one of the recommendations. The Chairman of that Commission was Albert Cole, who served as head of the Housing and Home Finance Agency. His recommendation was:

> For an experimental period of 2 years, the Federal Housing Administration should be authorized to insure 40-year, 100-percent loans.

The origin of the proposal was in the recommendation by President Eisenhower's advisory commission.

Following that, President Eisenhower sent to Congress a bill to put into effect that recommendation; and the bill was introduced by the then chairman of the Banking and Currency Committee, the senior Senator from Indiana [Mr. CAPEHART]. He worked for the passage of the bill back in the 83d Congress; and his committee reported the bill. So this is not a new proposal. It would amend the very section to which the Senator from Indiana referred, namely, section 221.

That section now authorizes 100 percent insured housing, with 40-year mortgages. Congress has done that in the past, and initiated it under President Eisenhower, during a Republican-controlled Congress, and put it into effect following the recommendation of the Banking and Currency Committee, then under the chairmanship of the senior Senator from Indiana.

Mr. BUSH. Madam President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. BUSH. Will the Senator refresh my memory as to whether the bill he is discussing called for subsidized interest and a FNMA support of $750 million?

Mr. SPARKMAN. I am sure the FNMA support was provided for.

Mr. BUSH. Did it also provide for a subsidized interest rate?

Mr. SPARKMAN. I would have to check on that; I am not certain. But it did provide for 100 percent, 40-year mortgages. That plan came from President Eisenhower, and it was reported to the Senate by the Senator from Indiana [Mr. CAPEHART], and was fought for by him; and, essentially, that program was put into effect.

Mr. BUSH. Madam President, will the Senator from Alabama yield for another question?

Mr. SPARKMAN. I yield.

Mr. BUSH. Was that bill limited to families which were displaced by the slum clearance and urban renewal programs, or did the bill apply to all middle-income families?

Mr. SPARKMAN. The bill Congress passed was limited to those who were dislocated by governmental action.

Mr. BUSH. That is an important difference between the two bills.

Mr. SPARKMAN. I realize that. But I have said—and I think this fact should be clearly understood—that this is a subsidized program, in that it makes money available at an interest rate as low as 3⅛ percent. That is the extent of the subsidization. For years, private enterprise has urged us to find some program as a substitute for public housing, and we have tried to do so. I submit that this is the best proposal that has yet been brought forward; and Senators must admit that the subsidy provided for in this bill is much less than that provided in the ordinary public housing program.

The price of housing has been continually rising, until today 65 percent of the families in the United States receive incomes too low to make it possible for them to purchase the typical FHA house. I refer to the typical, average FHA house. Of course, some buyers are able to purchase some of the FHA houses. But the great mass market is denied the benefits under the regular FHA program.

Mr. LAUSCHE. Madam President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. Will the Senator from Alabama describe in greater detail why the average American family, one of the group which comprises 65 percent of all American families—is not able to purchase such houses; and will he state the main factor which contributes to the high cost of houses?

Mr. SPARKMAN. I do not have the exact figures before me, but I have seen them. According to the census for the past year, 65 percent of the heads of American families received incomes not in excess of $6,000 or $6,500. The typical FHA house last year cost $15,000. Under a rough rule of thumb, in order to afford that kind of house, a person would have to have an income of between $6,000 and $6,500; and 65 percent of the heads of American families do not have such income.

Mr. LAUSCHE. Madam President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. The immediate impact upon me is that a person earning $6,500 a year ought to be in a position to buy a $15,000 home, unless there are factors which contribute to the cost of a $15,000 house that are abnormal and that bring the cost so high that the ordinary person having such an income cannot buy it. What is the principal factor in the cost of $15,000?

Mr. SPARKMAN. I do not think the reason lies in any factor in it; it is the amount itself. The FHA, in determining its underwriting, ascertains that the average family must have certain amounts for certain items. It makes up a budget to determine that only a certain amount of the income can go for housing cost. It may be that the cost of housing is high. It has continued to rise.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. If the distinguished Senator from Indiana is willing to yield back the remainder of his time——

Mr. JAVITS. Madam President, will the Senator yield half a minute to me?

Mr. SPARKMAN. I yield to the Senator from New York.

Mr. JAVITS. I did not want to leave unchallenged the Senator's statement that the 40 percent, no-downpayment plan was the best plan. I think I shall have the privilege of proposing the best plan. I serve notice on my colleagues that such a proposal will immediately follow.

Mr. SPARKMAN. I understand.

Mr. SALTONSTALL. Madam President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. SALTONSTALL. As I understand the plan now being proposed, it would apply to any area. I have always been in favor of slum clearance and low cost housing programs, but this is a plan which would have possible application, for example, in an area in suburban Washington or in any suburban area of the country where housing of this character is located. Is that correct?

Mr. SPARKMAN. I think the Federal Housing Commissioner would be careful in his selection. It could be done only in areas or towns or cities that have a workable program. It must fit in with a workable program. My guess is that the great majority of the program would be in slum clearance or urban renewal.

Mr. SALTONSTALL. Yet this is not a slum clearance program.

Mr. SPARKMAN. It is not limited to that, but it is tied in with a workable program.

Mr. CAPEHART. Madam President, I yield 1 minute to the Senator from South Dakota.

Mr. CASE of South Dakota. Madam President, the junior Senator from South Dakota is not an expert in the housing field. His experience in installment buying has not been very great. At one time the junior Senator from South Dakota has some experience with the selling and financing of automobiles. If there was one lesson he learned, it was that if one wanted to make a sound deal, the purchaser ought to have a substantial equity in the automobile he was buying. I think the same thing is true in the field of housing. Unless the purchaser is in a position to make a reasonable initial payment, it seems to me there is no favor to him or to the community in encouraging him to buy a house without some equity in the house on the part of the purchaser. It would be better, in my judgment, for the family to pay rent and in the meantime acquire enough money to make a substantial downpayment before seeking the purchase of a home.

Mr. CAPEHART. Madam President, I yield 1 minute to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Madam President, in the year 1930 I was a judge. I presided in the courtroom of the common pleas court of Cuyahoga County. I rendered judgments in which litigants were asking for foreclosures of owners' equities of redemption. My experience in countless hearings established the fact that many properties were bought without adequate equity to insure the ability of the buyer to retain possession of his home.

I cannot see how we could help the ordinary individual by saying, "You may buy a house as you would buy a piece of jewelry—without any downpayment whatsoever." The time will come when the failure to have an equity in the house will militate to the disadvantage, economically and otherwise, of the person who is induced to buy.

For that reason I shall vote against the pending proposal.

Mr. CAPEHART. Madam President, I yield back my remaining time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] for himself and the Senator from Utah [Mr. BENNETT]. All time on the amendment has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Virginia [Mr. ROBERTSON], are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ], is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY], is necessarily absent.

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from Virginia would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr.

BRIDGES]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Connecticut [Mr. DODD] is paired with the Senator from Vermont [Mr. AIKEN]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Vermont would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON], and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

If present and voting, the Senator from Wisconsin [Mr. WILEY] would vote "yea."

On this vote, the Senator from Vermont [Mr. AIKEN] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Connecticut would vote "nay."

On this vote the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from New Mexico would vote "nay."

The result was announced—yeas 41, nays 50, as follows:

[No. 61]

YEAS—41

Allott	Eastland	Morton
Beall	Ervin	Mundt
Bennett	Fong	Prouty
Bush	Goldwater	Russell
Butler	Gore	Saltonstall
Byrd, Va.	Hickenlooper	Schoeppel
Capehart	Holland	Smathers
Case, S.Dak.	Hruska	Smith, Maine
Church	Jordan	Stennis
Cooper	Keating	Talmadge
Cotton	Kuchel	Thurmond
Curtis	Lausche	Williams, Del.
Dirksen	McClellan	Young, N. Dak.
Dworshak	Miller	

NAYS—50

Anderson	Hickey	Monroney
Bartlett	Hill	Morse
Bible	Humphrey	Moss
Boggs	Jackson	Muskie
Burdick	Javits	Neuberger
Byrd, W.Va.	Johnston	Pastore
Cannon	Kefauver	Pell
Carroll	Kerr	Proxmire
Case, N.J.	Long, Mo.	Randolph
Clark	Long, Hawaii	Scott
Douglas	Long, La.	Smith, Mass.
Engle	Magnuson	Sparkman
Fulbright	Mansfield	Symington
Gruening	McCarthy	Williams, N.J.
Hart	McGee	Yarborough
Hartke	McNamara	Young, Ohio
Hayden	Metcalf	

NOT VOTING—9

Aiken	Carlson	Ellender
Blakley	Chavez	Robertson
Bridges	Dodd	Wiley

So Mr. CAPEHART'S amendment "J" was rejected.

Mr. MANSFIELD. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Madam President, I yield 5 minutes to the Senator from Illinois.

Mr. DIRKSEN. I need only a minute, and I ask the Senator from New York to yield without losing his right to the floor.

Mr. JAVITS. I yield 2 minutes.

LEGISLATIVE PROGRAM AND ORDER FOR ADJOURNMENT

Mr. DIRKSEN. Madam President, I should like to make inquiry of the distinguished majority leader with respect to the remainder of the day, and also whether he has in mind a time for the Senate to meet tomorrow.

Mr. MANSFIELD. Madam President, in response to the question raised, it is my understanding that although the amendment is not now before the Senate, the so-called Javits amendment will be made the pending business. Is my understanding correct?

Mr. JAVITS. The Senator is correct.

Mr. MANSFIELD. It is my further understanding that approximately 2 hours, including the extra half hour, or 50 minutes to each side, will be available to consider the amendment. It is my hope that tonight we can come to a vote on the amendment, for which the yeas and nays have been ordered.

Such action will depend upon developments.

Madam President, I request at this time a unanimous consent agreement that when the Senate adjourns tonight, that it adjourn to meet at 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSING ACT OF 1961

The Senate resumed the consideration of the bill (S. 1922) to assist in the provision of housing for moderate- and low-income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS] for himself and the Senator from Connecticut [Mr. BUSH], which, under the unanimous-consent agreement, automatically becomes the pending question.

Mr. DIRKSEN. Madam President, I should like to address a further question to both the distinguished majority leader and the distinguished Senator from New York. Does the Senator from New York contemplate a rather extended speech on his amendment?

Mr. JAVITS. I do. I think I shall use not less than three-quarters of an hour.

Mr. DIRKSEN. When the unanimous-consent agreement was entered into, I understood that probably only a portion of the allotted time would be used on the majority side.

Mr. MANSFIELD. That is my understanding. I will tentatively hazard a guess that we may have a vote somewhere between 6:30 and 10 minutes to 7.

Mr. DIRKSEN. Would that vote be the only vote tonight?

Mr. MANSFIELD. Yes.

Mr. JAVITS. Madam President, I yield myself 20 minutes.

The pending amendment, upon which 3 hours was allotted under the unanimous-consent agreement, raises the issues on probably the single most important aspect of this bill. Indeed, the Senator from Alabama [Mr. SPARKMAN] stated that other than the question of what do we do about moderate income housing, the bill pretty much continues other programs.

Aside from the proposed aid to commuter transportation and the open spaces provisions, each of which would amount to $100 million, the bill is pretty much a standard housing bill, expanding and extending programs which we have and with which we are thoroughly familiar, until we come to the proposed 40-year, no-downpayment plan, for which my proposal is a substitute. Then we get into the one new aspect of this measure.

I should like to state, because probably this will be the final time in which it will be stated, precisely what my amendment proposes as a substitute for the 40-year, no-downpayment program, my amendment proposes a program to organize a Federal Limited-Profit Mortgage Corporation, which will be a U.S. Government Corporation, in the first instance financed by a $100 million stock subscription investment from the Treasury. That will be the only investment in the Corporation by the United States, and it will also be the only investment in this whole model, moderate-income program on the part of the United States forever. That would be the end of it.

The United States would invest $100 million, and that would be it. The program would either work or it would not. But that would be the end of the U.S. investment. There is involved neither subsidy nor any other appropriation. The program is entirely self-operative.

The proposed Corporation, as a U.S. Corporation, would have the right to issue bonded debt, which it would sell to individual investors in very much the same way that public housing is financed today, but with the essential difference that whereas the bonds would be sold to the average investor like public housing bonds, the United States would be under no obligation to provide a subsidy for the purpose of making the proposed bonds good. But the bonds would stand upon their own bottoms as bonds issued by a Federal corporation which, if defaulted upon—and I think we all know from our experience with housing mortgage guarantees that such eventuality is extremely remote—the holder would have the right to obtain U.S. Government-guaranteed bonds in lieu of those issued by the Corporation. But the fundamental appropriation, which is very important, as I shall show in a moment, would involve only the fundamental seed money, the $100 million investment in this Federal Limited-Profit Mortgage Corporation.

I contemplate that the Corporation would have authority to issue $500 million worth of its bonds a year, and under the amendment as it is proposed the President would have the right at any time to add to that amount $500 million a year, and on some portion of it an additional $1,500 million, depending upon demand and depending upon the economic situation and the fiscal situation.

These bonds would be a prime investment, because similar bonds of public housing corporations are a prime investment today. The market will take just about as much of them as is desired to be issued in order to finance public housing units.

The money raised by the sale of the bonds will in turn be used as normal mortgage money for the purpose of financing middle income housing. Middle income housing is very much defined in the same way as it is in the 40-year, no-downpayment program under the pending bill. It relates to people who fall in that so-called gap between those who are eligible for public housing and those who cannot afford private housing which is available today. It is proposed to make mortgage money available at a low interest rate, to wit, the going rate for Federal money, plus one-half of 1 percent for costs of administration.

It is expected that within a reasonable compass of time, perhaps a few years, it should be possible to sell $2 billion worth of such bonds. These orders of magnitude are consistent with the public housing experience and the sale of bonds under the public housing program.

The $2 billion in mortgage money should, of course, produce a very substantial amount of middle income housing. To give some idea as to what it can produce, I now refer to the New York program. The proposal in my amendment is essentially lifted from the New York program, which has been operative since 1955. In New York State it is called the Mitchell-Lama program, which has been very successful in my State. I emphasize State, rather than cities.

Up to now there have been financed some 30,000 units, and approximately $450 million have been raised precisely in the fashion I have described the money would be raised through the Federal Limited-Profit Corporation, as proposed in my amendment.

Based upon this experience, we estimate the $2 billion should be responsible for about 160,000 units, at the rate of about 40,000 units a year. In the State of New York, the voters have on two occasions actually supported the program by an overwhelming majority. They authorized $450 million in the available mortgage funds which I have described.

That, in essence, is the plan.

There is one further point to which I should refer. It is very important. We should mention the people who are expected to be the promoters or the sponsors of these housing projects. In New York State our experience has been that those who are largely interested are trade unions. One of the most prominent sponsors of housing of this character, in a large measure, has been the Amalgamated Meat Cutters & Butcher Workmen; also cooperatives, because the plan lends itself to be turned into cooperatives, in the sale of the units to the members of the cooperative, which gets its mortgage money from the State—in this case, of course, from the United States.

However, the plan in New York State and the plan I propose here does not exclude private development. The only point with respect to private development is that the private developer is limited in his profit. He has, however, one advantage. At the end of 20 years he can redeem the whole project, if he can refinance it. So it does have, although limited, some attractiveness to private developers. In New York State the plan has had special attraction to insurance companies; also to employers, as private developers, because they find the plan very interesting, in that they can invest in private housing for their employees on a very desirable basis.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for questions?

Mr. JAVITS. I yield.

Mr. CASE of South Dakota. The first question is this. As I understand the amendment which the Senator from New York has offered, it would strike out the provisions in the committee bill which would permit housing to be financed with nothing down and over a long period of years. For this provision the Senator's amendment would substitute a plan of housing which would be constructed by and owned by a U.S. corporation, to be known as the "Federal Limited Profit Corporation." Is that correct?

Mr. JAVITS. The Senator is correct in part, and incorrect in part. First of all, the housing would be neither constructed nor owned by the U.S. Corporation.

Mr. CASE of South Dakota. It would be owned by the applicant?

Mr. JAVITS. By individuals or by foundations or by trade union organizations, which could in turn cooperate with those who would occupy the housing. The only thing the U.S. Government Corporation would do would be to make available the mortgage money.

Mr. CASE of South Dakota. On page 31 of the Senator's amendment, under "Taxation of property," the Senator provides:

> SEC. 712. All real property and tangible personal property of the Corporation shall be subject to State, county, municipal, or local taxation to the same extent according to its value as other similar property is taxed, and any real property shall be subject to special assessments for local improvements:

Would that mean that the housing project itself would be subject to taxes in the normal fashion, as any other private property?

Mr. JAVITS. Precisely.

Mr. CASE of South Dakota. What is the meaning of the sentence which states:

> Except as to such taxation of real property and tangible personal property, the Corporation, including but not limited to its franchise, capital, reserves, surplus, income, assets, and other property, shall be exempt from all taxation now or hereafter imposed by the United States, or any State, county, municipality, or local taxing authority.

Mr. JAVITS. That relates to the Federal Corporation itself, the U.S. Corporation, rather than a corporation or entity which would own the developed property.

Mr. CASE of South Dakota. What kind of property is involved here?

Mr. JAVITS. It means its money in the bank, its mortgage papers, its desks, its offices—whatever it had in the way of property, including its franchise as a U.S. Government Corporation.

Mr. CASE of South Dakota. In my State we have two taxes which would normally be applicable but which the Senator's amendment might exempt. One is the money in credits tax. Individuals in my State who have money in credits or money on deposit or who own mortgages or other evidence of indebtedness to them are subject to the money in credits tax. Would the Senator's corporation be exempt?

Mr. JAVITS. Any corporation which owned a project financed under the proposed plan would not be exempt from the tax specified by the Senator. The U.S. Government Corporation itself, which is the Corporation that sells the bonds and gets the money and lends the money to the entities, would be exempt from the tax, and it alone.

Mr. CASE of South Dakota. The other tax that we have in my State which would be applicable to a private individual would be the State sales tax. If an individual were buying office furniture or anything else, would he pay the State sales tax if the limited corporation which the Senator suggests for his amendment had an office in the State? Would its equipment and office supplies that were purchased be liable to the State sales tax?

Mr. JAVITS. No; just the same as the Department of Commerce or the Department of Labor would be exempt in the purchase of equipment in the State.

In that case, one would be dealing only with the desks and furniture of the Corporation itself.

Mr. CASE of South Dakota. I recognize that. With that limitation, it would not amount to so much.

Mr. JAVITS. It would not amount to anything.

Mr. CASE of South Dakota. However, there have been instances in which corporations having Government contracts have sought to avoid the State sales tax.

Mr. JAVITS. There would not be any such situation in this instance, because in my amendment I expressly provide to the contrary, so there could not even be an argument about it. I expressly make all property in a project subject to the normal taxation.

Mr. CASE of South Dakota. In a recent case, a company organized under the laws either of Delaware or New Jersey had a contract to construct a dam in South Dakota. The company objected to the payment of any personal tax on the property used in the construction

of the dam. I think the tax amounted to more than $11,000 over the period of time the company had its property in the State. They sought to escape payment of the tax with the argument that the corporation was organized in another State, and also that it was operating under a contract with the U.S. Government for the construction of the dam. Does the Senator from New York see any possible complication in an instance like that?

Mr. JAVITS. None whatever. Such an entitity, if it were developing a project under this plan, would be fully subject to all taxation, without any hope, in my opinion, of making a colorable opposition to the imposition of the local tax.

Mr. CASE of South Dakota. Then, if a corporation were organized in Delaware or New Jersey to construct a housing project in Illinois, South Dakota, Kentucky, or any other State, the housing project itself, the equipment used in its construction, and the receipts of the corporation as a business enterprise within that State would be subject to local taxes, the same as if the corporation were organized in the State where the housing project was being built.

Mr. JAVITS. Now the Senator has extended the point. It would be subject to precisely the same tax as a corporation organized for private profit, not deriving its mortgage loan from the U.S. Government Corporation which I have named, would have been subject to, because if it is a foreign corporation, there are various questions of tax law which are quite apart from the fact that it draws its mortgage money from this Corporation.

Mr. CASE of South Dakota. But the Senator's amendment would not confer upon the foreign corporation any right or privilege which it would not get under other laws?

Mr. JAVITS. The Senator is precisely correct.

Mr. CASE of South Dakota. I thank the Senator from New York for answering the questions. His answers clarify the situation somewhat. I regard the proposal he has made as far superior to the provisions in the bill.

Mr. JAVITS. I am grateful to the Senator from South Dakota.

Mr. CASE of New Jersey. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. CASE of New Jersey. I refer the Senator to page 32, lines 6 to 9, of his amendment, which reads:

> All notes, debentures, and other obligations of the Corporation shall be exempt, both as to principal and interest, from all taxation imposed by the United States, or any States, county, municipality, or local taxing authority.

I take it that means exempt from taxes in the nature of taxes on these obligations as property.

Mr. JAVITS. That is all; nothing further.

Mr. CASE of New Jersey. It does not mean that the holder of these obligations would be exempt from any tax on the interest.

Mr. JAVITS. Not at all. These are words of art, adapted from the public housing law, which provides for exactly the same situation.

In answer to a question which has been asked, this is an incidental aspect of the plan. It is similar to action which the Senate has taken on a number of previous occasions. I should like to key Senators to the occasions when the Senate itself originated legislation of precisely this character with respect to the very limited exemption which is related here. Those cases relate to the Federal land banks, the Federal intermediate credit banks, under the Federal Farm Loan Act; the Federal Home Loan Bank, the Federal Deposit Insurance Corporation, the Reconstruction Finance Corporation, and the Public Housing Administration itself.

In all those cases, the Senate acted precisely as I am asking the Senate to act in this matter, on a bill which was not a revenue raising bill, and did not have any of the connotations which we would run into if this were the central core of a plan. It is nothing but one peripheral aspect of it.

Mr. COOPER. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. COOPER. As the Senator explained the amendment, I think he stated that it would be applicable to multiple unit housing of a cooperative type. Would it lend itself to the development of individual units of housing?

Mr. JAVITS. Yes; it would.

Mr. COOPER. Will the Senator explain how it would lend itself?

Mr. JAVITS. I will. It would be conducive to unitary sponsorship but to a diverse ownership. In other words, it would be impractical, and it is just as impractical under the 40-year, no-downpayment plan. When we begin to deal with mortgages which are below the market rate, we get into precisely the same situation. The agency says so. A unitary sponsor is needed who will sponsor the project. It might be called a high rise apartment, that is, a tall building having many apartments; or it might be a collection of separately standing houses. In the first instance, it would be necessary to have a unitary sponsor. Then that same facility, that unitary sponsor, could coordinate the units of an apartment house. He could cooperate in the sense of devolving individual ownership upon individual occupants in respect of a project.

The difference would be that he could not deal with one family, one home, as is done normally under the FHA, nor could he feasibly do it under the administration's own program, which we have just decided to keep in the bill. But I think, of course, we should strike it out in favor of this proposal.

That is a very important point. It is one of the major arguments made against my plan. It is exactly analogous to the situation which the administration itself faces. One could not conceivably deal with an individual owner or an individual, single family house on a less than market rate, with a 40-year, no-downpayment mortgage, because it immediately will flow into FNMA, as they themselves concede. So there is really no difference in the end result in terms of the two plans.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. I yield myself 5 more minutes.

Mr. COOPER. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. COOPER. As I understand, the mortgage Corporation could make funds eligible to operators defined in the bill. An eligible operator then could develop either multiple unit housing or, if possible, he could develop individual unit housing. The reason I have asked the question is that I think, as the Senator himself has said, it could be argued by the administration sponsors that their provision would enable individual housing to be built. I want to vote for the Senator's amendment. I think it is much better than the provision in the bill. But what would be the answer to the argument?

Mr. JAVITS. I point out again, as I did a moment ago, that in both cases, when we reach the element of the bill which deals with the moderate income housing plan, precisely the same situation exists. One must deal with a central sponsor who will, in turn cooperate with the individual owner-occupant. This is actually what happens in New York. It is actually provided, by the amendment which I have offered, and it is precisely a pattern of the way this plan works. The individual sponsor has in many cases actually cooperated with the apartment house by letting each individual tenant own his own apartment. That is entirely feasible. The only purpose the sponsor has served is to be the recipient of the mortgage money and to be the constructor of the project.

This also leads to one other very important point.

Under my plan, once the Corporation is financed, it stands on its own bottom. It can be as big as the investors will back. It requires no Federal subsidy, which is a limitation in the public housing program. It can go on and grow, depending on the confidence and the substantiality of its operation. So it has a very fine private economic system tie-in.

Mr. MUSKIE. Mr. President, will the Senator from New York yield for a question?

Mr. JAVITS. In a moment. I wish to finish this thought.

It will be noted that I voted "nay" on the Capehart amendment, because I desire to have the bill contain a provision with reference to moderate-income housing. Now we are at the point where what can be done can be much improved. I do not want the bill to leave the Senate without making this landmark defense of a provision for moderate income housing. It is contemplated, under the 40-year plan, that FNMA will pick up all the mortgages which are issued at below market rates. It is known that that is the only way in which that can be done,

so $750 million is provided as an initial tranche for FNMA to do this. Immediately we see the great economy of the program which the Senator from Connecticut [Mr. BUSH] and I have proposed. I am sorry the Senator from Connecticut is not present, but I am grateful to him for his cosponsorship of the amendment, because our program takes $100 million. I think even those who are opposed to the amendment—the administration representatives—will admit, whether they like our plan or not, for whatever reasons, that it will not produce less housing.

Yet it will be done with tremendous economy.

Now I yield to the Senator from Maine.

Mr. MUSKIE. The moment for my question has passed to a certain extent; but I shall ask whether it is true that under the proposal of the Senator from New York the mortgages could be for as long as 50 years.

Mr. JAVITS. Yes, and I am glad the Senator from Maine has emphasized that point, because it points up an important matter. I can understand the great opposition to the 40-year proposal, whereas I can see why there would be approval of the 50-year plan, because under the 40-year plan there would not be a leaning of project on project, whereas under my plan there would be. Under my plan there would be a mutualization of risk. For instance, let us assume that the entire amount would be utilized for projects handled by a single borrower, so far as the handling of the bonds was concerned. In that event, if there were "in the deck" a weak project, it would be supported by the others, whereas under the 40-year arrangement, each project would stand on its own feet, and in that event the entire picture would be weaker.

I do not favor the argument, which has been made here, that in 40 years the houses would collapse. After all, in New York there are many excellent apartment houses which are 30, 35, or 40 years of age, and still are in excellent condition. For instance, the one in which I live is a very fine apartment house on the best street in New York, and it is 35 or 40 years old. In view of what I paid for it, I have every expectation that it will last another 35 or 40 years.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The Senator from New York is recognized for an additional 5 minutes.

Mr. JAVITS. Mr. President, I feel that the risk of the FNMA under the 40-year plan is a much greater risk, because of the individuality of the investment.

In addition, the investor sanction is important. Under the administration's plan the only buyer would be FNMA, a Government agency; and if Congress appropriated the money, the FNMA would buy, but that would have no relationship to whether the project was being run well or being run badly or whether the security was good or was bad. If Congress appropriated the money, the plan would be put into effect and the mortgages would be placed, and the FNMA would pick them up.

But under this plan there will be only $100 million of Government financing, and it would have to have solid investor acceptance; otherwise it would not work.

So this plan will utilize the private enterprise system, and will utilize it on the basis of real intelligence, and will constitute, so to speak, a check or balance, in view of the fact that the Government cannot always be in the area, to apply the checks and balances.

Furthermore, the plan I propose will provide only 90 percent of the cost of the project, and therefore will require some investment by the sponsors of the project. That is important. In addition, of course, a 6-percent return will be assured. But under the administration's plan, no return at all would be guaranteed the sponsors.

Furthermore, many of us who have had experience in this field realize that, on the basis of experience, in order to make viable such a proposal for housing for families of moderate income, it is necessary to have, in addition to a low interest rate—although a low interest rate is probably the most important factor, and such a rate is assured under the plan I have proposed—also the hope of making some arrangement with municipalities for lower tax rates, which would be of great advantage to municipalities in encouraging the development of such projects; and, in addition, there is need for the power of condemnation, in order to make possible the purchase of land at a reasonable price, and in units of sufficient size, and in strategic locations, so as to make the projects viable.

Under the plan I am proposing, in the State of New York we have already seen that such sponsorship is precisely the most conducive to the making of such arrangements with the municipalities, and is the most conducive to obtaining from the State the condemnation authority. The plan I am proposing has experience behind it, and therefore provides that the sponsoring agency may be a State agency, or it may operate through a State agency. That is precisely what would happen in the State of New York, and that might be true in other States.

So this plan has that great element of flexibility and also that great power to attract what is really needed in order to make modern income housing successful.

Another point which I think is very important in this entire area is that, frankly, the administration plan deals with an experiment. In that connection, we find that the committee states very frankly on page 4 of the report:

> The committee, therefore, feels that it would be wise to treat this new program as an experimental one which could be reviewed by the Congress before extension beyond July 1, 1963.

And on page 3 the committee itself calls this program—that is to say, the 40-year, no-downpayment program—temporary, experimental. The committee itself calls it that; and it is that, indeed; whereas the program I am proposing to the Senate is a tried program with which there has been experience, and under which homes for people have been built with great success, and it has actually been working.

The Senator from Alabama has argued that the State of New York is not the United States. Of course I agree; but the State of New York is a very big laboratory—in fact, the largest the Congress will ever find in which to try out, as a pilot plant, such a program. The Empire State is really an empire; it stretches 450 miles from north to south, and 450 miles from east to west, and has a population of 17 million—larger than most countries in the world, and has farms, factories, large cities, and small cities. This program has been a State of New York program, and it has been twice approved by the voters of New York State.

So if Senators are looking for a plan proven by experience and one which has actually been demonstrated to have great viability, the Senate should certainly take this program, rather than the administration's program.

The PRESIDING OFFICER. The additional time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for an additional 5 minutes.

Mr. CASE of New Jersey. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. CASE of New Jersey. First, I wish to commend the Senator from New York for his great contribution. I think the substance of his amendment is excellent, and it reflects great credit upon him and upon the experience with these programs under both Republican administrations and Democratic administrations in New York.

One point which is particularly interesting is the possibility of single-family ownership of single dwellings under this program. Has the Senator from New York had sufficient experience with such projects to be able to give us an estimate as to the possibility that that would happen?

Mr. JAVITS. Yes, because these projects in New York have been cooperative. In short, the sponsors of these projects in New York have, in a number of cases, developed the ownership of the individual unit upon the individual occupant, by arrangement with him. This shows the flexibility of this arrangement.

So, again, this shows that we are dealing with an actuality, rather than an experiment. Therefore, I see no reason why it could not be applied to the entire Nation.

Although this program in New York originated under Governor Dewey, it has also been developed during the administration of Governor Harriman, a Democrat, and now during the administration of Governor Rockefeller. So I believe the program has shown its durability in terms of political sponsorship. But I say to the Senator from New Jersey—

and I do not think I am suspected of blind partisanship, after all these years—that I am quite proud to be presenting this program, because I think the Senator from New Jersey, the Senator from Kentucky, and others of us take great pride in being able to present alternatives which will truly do the job the people need to have done, and at the same time will have greater consideration for the private enterprise system and its place in terms of performing better for the welfare of the people than would be done—and I think this is evident—under many of the administration's programs, which have come from the other side of the aisle.

So I think this is a splendid illustration of what that principle, which we have often stated, actually means in practice.

Mr. CASE of New Jersey. I thank the Senator from New York.

Mr. JAVITS. I should like to conclude by summing up the matter as follows: On Friday, the Senator from Alabama [Mr. SPARKMAN], a great friend of housing, and the floor manager of the bill, and I had a colloquy here in the Senate Chamber; and at that time the Senator from Alabama said something which I think is rather well recognized in this situation. He said, in effect, "Have patience. A Senator may have a good idea, but it takes a long time for even a good idea to become law." And he stated, as an example, that for 10 years he had been trying to get enacted into the law the idea behind the Small Business Development Corporation. After 10 years the program was legislated, and it is now very well underway, and it promises to be very successful and very important to small business.

So I feel the same way about this program. It has been around, and we have tried it for some time.

Last year, in 1960, I was joined in its sponsorship by a colleague of mine on the other side of the aisle, the Senator from Pennsylvania [Mr. CLARK], who, quite properly and quite understandably, cannot join me this time because he feels the administration has come forward with its own program, which he wishes to support.

Whether as a result of his joining me or not, I do not know, but, in any case, the committee actually reported this program as a separate bill last year, toward the close of the session, but it could not be reached in time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield myself 2 more minutes.

I have a real feeling that there is a great deal of opposition to this proposal because it is a proposal which did not spring from the administration. I wish it had. It would be much easier for me.

I deeply feel, considering the issue involved, considering the fact that, as the Senator from Alabama so properly said, an enormous proportion, at least half, of the American people, are not able to have the housing which we believe in as such a great fortress of freedom in our own country, that a plan of the character such as I have proposed commends itself on so many grounds that it should rise superior to the fact that it was not an administration program.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CLARK. I shall be happy to have my comments charged against the time of the opponents of the amendment, and I yield myself 3 minutes against the amendment for that purpose.

Mr. JAVITS. I reserve the remainder of my time.

Mr. CLARK. What the Senator from New York has said is correct. I was happy to be a cosponsor of his proposal last year. We did get it out of committee. We hoped to get it enacted into law. It is just as good a program now as it was then. If the Senator from New York were advocating this proposal as an additional method dealing with moderate income housing, I should support it this year, as I did last year. Unfortunately, the Senator's amendment is really to propose the middle or moderate income housing program as a substitute for the administration bill.

I have become quite sincerely convinced—I know my friend does not doubt it—that the administration approach is a better approach, largely for the reason testified to by Mr. Weaver, as contained in the letter which appears at pages 106 and 107 of the hearings on this measure.

However, I commend the Senator from New York for insisting on this proposal. I think it obviously is a success in New York. I am not at all sure it would be successful in other States where economic and social conditions are different. I think it would be an experiment to try elsewhere, outside of New York.

I regret that my friend did not want to propose his measure as an additional remedy, or as an additional form of dealing with moderate income housing, rather than a substitute, because it is a substitute. I regret I shall have to vote against it.

Mr. JAVITS. Mr. President, I yield myself 2 minutes to reply to the Senator from Pennsylvania.

First, I am entirely understanding of his position. I think I said that in my main argument. I have the highest regard for his sincerity in seeking housing, just as I do. We are together many times. My reason for proposing my amendment as a substitute, rather than as an addition, is that I feel that, practically, if I am really serious—and I am in this matter—we shall be running the risk of being charged with breaking the back of the bill with another large program additional to that contemplated by the administration. So, in fairness, because I felt strongly about its desirability, I felt my proposal had to be made as a substitute. Also, in all sincerity, I feel it can do everything the administration is proposing to do in this 40-year program, and do it as well.

If the Senator in charge of the bill would like to use some of his time, I should like to reserve the remainder of my time.

Mr. SPARKMAN. Mr. President, may I ask the Senator from New York what his thought is? I do not have any idea of talking at length, and I wondered to what extent the Senator from New York intended to continue the debate. May I say, in all frankness, I have said about all I can say on this measure.

Mr. JAVITS. I have 20 minutes left. I had hoped the Senator would make any argument he desired to make. I had hoped then to have a quorum call. I had hoped then to sum up, which should not take more than 10 minutes, and then to have the vote.

Mr. SPARKMAN. Mr. President, I yield myself 5 minutes.

I find it difficult to debate this question, because the Senator from New York knows I have considerable sympathy with his proposal. I have heard the presentation as to how a similar program works in the State of New York. I have stated here many times my commendation of the Senator from New York for pressing this program. I have said, very frankly—and I am sincere in it—that I doubt very seriously that this program would take hold over the country as a whole. I can see it as being a good program in a concentrated area, particularly where there is a concentration of financial institutions, which would give the program the financial support it needs. But I should think there would be considerable delay and slowness in organizing the cooperatives, or the limited-dividend corporations, in many areas of the country.

I have felt, and the committee felt, that the choice was between the 40-year, no-downpayment plan and the plan offered by the Senator from New York. Frankly, we regarded them as alternative plans.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. CLARK. There has been much criticism on the floor of the fact that the administration's plan calls for 40-year mortgages. Is it not true that the plan of the Senator from New York contemplates 50-year mortgages and, under certain circumstances, 60-year mortgages?

Mr. SPARKMAN. The Senator from New York can answer that question. I believe that is correct. That fact does not greatly disturb me, but, nevertheless, there is that difference.

At any rate, the majority of the committee decided the better alternative was the plan proposed by the administration, which, by the way, was the same plan that was proposed by the Eisenhower administration, and that it was preferable to the other plan, for the country as a whole. Therefore we came to the Senate with the 40-year, no-downpayment plan.

We have had a vote on the first amendment relating to it. We have weathered that storm. I hope we shall weather the other storms and that the bill will become the law.

Let me say to the Senator from New York that I join in wishing what he expressed earlier today, or perhaps it was yesterday. He said that he hoped that, even though his proposal did not become the law this time, we would continue to work in that direction, and that at some time it would become the law.

It seems to me it is a long-range program that might very well be considered, and certainly it might be considered if the experiment we are trying should not be successful. Certainly, for the time being, I do not believe we should adopt the substitute.

I reserve to myself the unused time.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JAVITS. Mr. President, I yield 5 minutes to the cosponsor of the amendment. I wish to tell my colleague how grateful I am to him for joining me.

Mr. BUSH. Mr. President, I thank the Senator. I am grateful to the Senator from New York for permitting me to be a cosponsor of the amendment.

I shall not speak at length, Mr. President. I know the Senator from New York has made an exhaustive statement in favor of it. I know his philosophy about the amendment, and I fully support his position on it.

To me the important thing is that the Javits-Bush amendment proposes to use funds from the investment market to finance housing operations. In contrast, the bill would turn toward the Federal Treasury once more with another new program. The bill acknowledges that fact by authorizing an additional $750 million of special assistance funds to finance the program. From the standpoint of the taxpayers, I think the Javits-Bush amendment is highly preferable.

I pointed out earlier today that FNMA, at the end of the year, owned some $6.9 billion worth of mortgages. This is the highest figure I have seen recorded. Each year the figure seems to go higher. There seems to be a race between FNMA and the Commodity Credit Corporation to see which can accumulate the greatest amount of surpluses. The Commodity Credit Corporation is accumulating agricultural surpluses, and FNMA is accumulating mortgage surpluses.

The Javits-Bush amendment is designed to check the trend and to set up a procedure which will invite, and really command, the funds of the savers of this country to finance housing enterprises. I think it is a very sound approach, infinitely preferable to the approach provided in the bill, and much better from the standpoint of the taxpayers. I think it will be much better from every angle one can possibly look at the program. I strongly endorse the amendment, and I hope the Senate will approve it.

Mr. SPARKMAN. Mr. President, I yield 5 minutes to the Senator from Colorado.

Mr. CARROLL. Mr. President, there is no section of S. 1922, the Housing Act of 1961, more significant than section 401, college housing.

From its inception in 1950, the college housing loan program has provided dormitory accommodations for over 380,000 college students from every State of the Union.

In my own State of Colorado, over 9,500 college students are now living in dormitory facilities financed with the assistance of this program.

The following colleges have received loans ranging from $200,000 to $2 million for the construction of dormitories, dining rooms, and student unions:

Colorado School of Mines, Golden.
University of Colorado, Boulder.
Colorado State University, Fort Collins.
Colorado College, Colorado Springs.
Western State College, Gunnison.
Loretto Heights College, Loretto.
Colorado State College, Greeley.
Regis College, Denver.
Colorado Woman's College, Denver.
Fort Lewis A. & M. College, Durango.
University of Denver, Denver.
Adams State College, Alamosa.
Pueblo Junior College, Pueblo.

The value of these loans to the colleges and universities of Colorado totals $37,875,000.

In this time of high challenge to our liberties and our Nation, it is of the very highest importance that our youth be provided with the education—the knowledge and skills—which it will need to meet the pressures and forces of our times.

In 1960, our Nation had 3,600,000 students at colleges and universities. It is expected that, by 1970, we shall have over 6 million college students.

At least a quarter of these additional students will need new dormitory facilities, and although at least three-fourths of these accommodation needs can and will be met from non-Federal sources, there is still urgent need for the continuation of this program.

Mr. President, I am pleased that the bill before us today provides for this need. In the coming years, education will be the all-important weapon and our colleges must be assisted with the means to provide training second to none in the world.

This college housing loan program is not only good sense; it is good business. Since the inception of the program in 1950, over $1,301 million has been loaned to academic institutions without a single default either in payment of principal or interest. The colleges in Colorado alone have repaid $1,297,000 of these loans and have paid $3,190,109.49 in interest.

With the unanimous consent of the Senate, I should like, at this point of the debate, to insert a summary of the approved loans to institutions in my own State of Colorado, with the amount of loan and the number of students benefiting therefrom.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

COLLEGE HOUSING PROGRAM

Approved loans, Colorado

Institution and location	Federal funds	Scope
Colorado School of Mines, Golden	$200,000	84 men.
University of Colorado, Boulder	350,000	36 faculty.
Colorado State University, Fort Collins	1,320,000	400 women, 4 faculty, dining.
Colorado College, Colorado Springs	576,000	155 men.
University of Colorado, Boulder	2,200,000	900 men, dining.
Colorado State University, Fort Collins	1,320,000	408 men, 4 faculty, dining.
Western State College, Gunnison	394,000	174 women.
Colorado College, Colorado Springs	1,152,000	258 women, dining.
Loretto Heights College, Loretto	1,090,000	254 women, dining.
Colorado State College, Greeley	2,600,000	558 women, dining (900).
Regis College, Denver	909,000	214 men, college union dining (400).
Colorado State University, Fort Collins	1,250,000	412 men, dining.
Do	1,250,000	Do.
Colorado Woman's College, Denver	335,000	122 women.
Fort Lewis A. & M. College, Durango	806,000	124 men, 60 women, 20 student families, college union dining.
University of Colorado, Boulder	1,009,000	116 student families.
Western State College, Gunnison	631,000	120 men, 132 women.
Colorado School of Mines, Golden	259,000	84 men.
Colorado State University, Fort Collins	1,350,000	412 women, dining.
University of Denver, Denver	1,685,000	216 men, 216 women, dining (346).
Colorado College, Colorado Springs	750,000	89 men, college union dining.
Colorado State University, Fort Collins	2,000,000	College union dining.
Adams State College, Alamosa	458,000	52 student families.
Pueblo Junior College, Pueblo	600,000	College union dining.
Colorado State University, Fort Collins	1,450,000	150 student families.
Colorado State College, Greeley	435,000	150 men.
Adams State College, Alamosa	1,330,000	100 men, 88 women, 28 student families, dining (588).
Western State College, Gunnison	1,780,000	452 women, dining (440).
Fort Lewis A. & M. College, Durango	514,000	124 men, 60 women, 12 student families, college union addition.

COLLEGE HOUSING PROGRAM—Continued

Approved loans, Colorado—Continued

Institution and location	Federal funds	Scope
Colorado College, Colorado Springs	$308,000	105 men.
University of Denver, Denver	2,985,000	324 men, 324 women, dining (453).
Colorado State University, Fort Collins	1,867,000	476 women, dining.
Colorado State College, Greeley	2,125,000	504 women, dining.
Adams State College, Alamosa	587,000	100 men, 66 women.
Total	37,875,000	

Reservations of funds, Colorado

Institution and location	Federal funds	Scope
Adams State College, Alamosa	$1,500,000	Housing for 288 men, 96 women, 36 student families.
Colorado School of Mines, Golden	2,275,000	240 men, 75 student families, college union with dining.
Loretto Heights College, Loretto	1,200,000	250 women.
Colorado Woman's College, Denver	784,000	180 women, dining hall addition.
University of Colorado, Boulder	3,000,000	228 student families.
Fort Lewis A. & M. College, Durango	635,000	200 women, remodeling of dining.
Regis College, Denver	900,000	214 men, addition to college union with dining.

Mr. CARROLL. Mr. President, I am convinced that an important part of our Federal housing program is found in the respected low rent projects built and maintained with the assistance of the Public Housing Administration.

It is public housing which provides for the very poor, for families with the lowest incomes.

In the U.S. Housing Act of 1937, the Congress approved a program to provide decent, safe, and sanitary homes within the financial reach of families of low income.

It is this program which is administered by the Public Housing Administration, working in cooperation with local housing authorities. Housing is financed, to as large a degree as possible, through private investment secured by Government commitments. These, along with direct Public Housing Administration loans to the local authority and annual Public Housing Administration contributions in the form of grants, serve to insure the low-rent character of the units.

In my own State of Colorado, Mr. President, 3,470 dwelling units have been built under Public Housing Administration authority. Forty-seven more are under construction, and plans are progressing for the construction of 863 additional units throughout the State.

This is a total of 4,380 units—and units, Mr. President, are homes. Low income families—the elderly, the handicapped, veterans, and those displaced by urban renewal—these people receive housing with health and safety standards which they otherwise would not have, at a rent which they can afford to pay.

The city of Denver alone, in its planning for urban renewal, has signed a preliminary loan contract for the construction of 500 units for those citizens who will be displaced by the renewal program.

The cities of Trinidad and Walsenburg, in economic distress because of a continuing slump in the coal industry, have signed preliminary contracts with the Public Housing Administration for the construction of 160 units—60 for Walsenburg, 100 for Trinidad. These houses will provide adequate shelter for many of those who are feeling the full weight of the towns' distress.

Pueblo has plans in readiness for the construction of 103 units. In various stages of planning are 40 units in Alamosa, and 60 in Lamar.

Mr. President, Housing Administrator Weaver said in his testimony before the Senate Subcommittee on Housing that "more public housing is needed if we are to redeem the 1949 pledge of a decent home for everyone and if we are to proceed at a rapid pace with the clearance of slums and rehousing of low-income facilities displaced by these activities."

For this reason, Mr. President, and because of the benefits this program has brought to Colorado, I support the action taken by the committee in section 205 of this bill recommending the authorization of the Public Housing Administration to contract for 100,000 additional units, an authorization originally provided for in the 1949 Housing Act.

At this time, I request unanimous consent to include in the RECORD at this point some figures which the Housing and Home Finance Agency has assembled for me on the operation of the Public Housing Administration program in Colorado.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

Low-rent project directory, Colorado, as of Dec. 31, 1960

Location, local authority or manager, and project name	Project No.	Program	Active dwelling units				Move-out rate	Race	Utilities included in rent					End of initial operating period	Fiscal year ends
			Total	Under development		Under management			Hot water	Heat	Cooking fuel	Light	Refrigeration		
				Preconstruction	Construction										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Denver, Housing Authority, city and county of:															
Las Casitas	1-1	USHA	184			184	4.8	0	X	X	X	X	X	6-43	D.
Platte Valley Homes	1-3	USHA	77			77	2.9	0	X	X	X	X	X	9-42	D.
Arapahoe Courts	1-4	USHA	76			76	2.9	0	X	X	X	X	X	9-42	D.
Curtis Park Homes	1-9	HA49	450			450	2.9	0	X	X	X	X	X	3-54	D.
Columbine Homes	1-5	HA49	200			200	2.5	0	X	X	X	X	X	3-53	D.
West Ridge Homes	1.6	HA49	200			200	3.6	0	X	X	X	X	X	3-52	D.
James Quigg Newton Homes	1-7	HA49	400			400	3.1		X	X	X	X	X	6-52	D.
Sun Valley Homes	1-8	HA49	200			200	3.0	0	X	X	X	X	X	12.52	D.
South Lincoln Park Homes	1-10	HA49	270			270	2.9	0	X	X	X	X	X	6-54	D.
Westwood Homes	1-11	HA49	257			257	3.8	0	X	X	X	X	X	3-54	D.
Sun Valley Homes Annex	1-12	HA49	220			220	4.4	0	X	X	X	X	X	9-56	D.
Benjamin F. Stapleton Homes	1-13	HA49	290			290	4.1	0	X	X	X	X	X	6-55	D.
Lincoln Park Homes	1-2	USHA	346			346	1.8	0	X	X	X	X	X	3-41	D.
Do	1-2A	USHA	76			76	1.8	0	X	X	X	X	X	12-42	D.
Pueblo, Housing Authority, city of (CC):															
Sangre de Cristo Homes	2-1	HA49	224			224	4.7	0						12-53	D.
Do	2-2	HA49	150	150											

Low-rent projects, State of Colorado—Additional contracts executed Dec. 31, 1960, to May 31, 1961

Location	Number of units	Program reservation (date issued)	Preliminary loan contract (date executed)
Denver	500	February 1961	April 1961.
Alamosa [1]	[2] 40	January 1961	January 1961.
Lamar	60	do	February 1961.
Trinidad [1]	[3] 100	do	Do.
Walsenburg.[1]	60	December 1960.	January 1961.
	760		
Pueblo	(4)	(4)	(4)

[1] Scheduled for annual contributions contract before end of fiscal year.
[2] 10 for elderly.
[3] 20 for elderly.
[4] Of the 150 units under preconstruction (see "Project Directory"), 47 went under construction in March 1961 (6 of these 47 for elderly). The other 103 units are not yet under construction.

Mr. CARROLL. I thank the able Senator from Alabama for his courtesy in giving me the opportunity to make a record not only in the national interest but also in the interest of the State of Colorado.

Mr. JAVITS. Mr. President, I ask unanimous consent that there may be a quorum call, without the time being charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask that the order for the quorum call be rescinded, and that the time consumed in the quorum call not be taken from either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, I yield myself 10 minutes to conclude my argument. I hope then to hear the Senator from Alabama [Mr. SPARKMAN] and unless he presents something to which I must reply, I shall yield back the remainder of my time, and assume that he will do likewise.

I should like to sum up as follows: By now it is well known that the plan which I have proposed is an alternative to the administration's plan for moderate income housing. My amendment provides for a Federal Limited-Profit Mortgage Corporation, which would be financed with $100 million of stock investment by the Federal Government. The Corporation would have power to issue bonds, which it is expected would raise $2 billion from the public over a period of time. The Corporation would then lend the money to cooperative entities—foundations, trade unions, and similar organizations—to build model income housing with restrictions on rents and on the admission to that housing being of middle income families and the elderly.

My program is to be juxtaposed to the administration's program, which has been much discussed. I think it can probably be best summed up as follows:

First. This is the first time we are really considering seriously a moderate income housing program, and the need has been very firmly established. The need extends roughly to 50 percent of American families. So whether my plan or the administration's plan is considered, we would minister to an established need.

Second. The need is for either rental housing or sales housing which is within the reach of moderate income families. I deeply believe that upon that ground my proposal has the best opportunity for satisfying the need.

I should like to state the criteria which I have established in that regard.

First. Shall it be an experimental program or shall it be the product of experience?

Of the two programs before the Senate, mine is a product of experience. It has been used and tried out in the State of New York for 6 years. It has resulted in the construction of or having under construction 30,000 units as a result of $450 million raised from the public. My proposal is certainly not an experimental program, whereas the administration's 40-year, no-downpayment program is definitely experimental. Representatives of the administration say so themselves. They do not know whether it would work or not.

Second. Shall it be a governmental program or shall it be a private enterprise program?

The administration's program is a governmental program. It would depend entirely for its viability upon purchase by FNMA of all the mortgages which are issued at interest rates below market; and unless such mortgages are issued at interest rates below market, we would not help moderate income housing, because that is the way in which we would save the money which is required to make it housing qualified for moderate income families.

My program would depend upon sales to private investors. The Government investment is relatively small. So the private economic system would carry the responsibility.

In addition, it would give us the advantage of having the sanction of private investors' acceptance of the proposed mortgage obligations in order to demonstrate that the plan is being operated right, efficiently, and honestly. Otherwise, it would not receive that acceptance. If the program did not get that acceptance, the program would not operate. Whereas, under the administration plan, if money were fed into FNMA, the program would operate even if it were a bad one.

Third. Shall there be a downpayment or shall there be none? Many Senators are disquieted about the 40-year, no-downpayment plan.

Under my program, we would have a provision for a 90-percent loan. Under the administration's program, there would be a 100-percent loan. I think the difference is significant.

The reason the plan is viable under my program is that there would be an assured rate of return of 6 percent, whereas under the administration's program, we would not be dealing with that kind of area or sponsor.

Fourth. Shall the program have an opportunity to obtain municipal help? Under the administration's program, with the use of FHA, there would be nothing special about that possibility, except what is provided under the terms of the policy. Under my proposed program there would be a unique and distinct effort with a unique and distinct sponsor, which has in the State of New York enlisted municipal cooperation by tax provisions and the power of condemnation. Such action is logical because we would be dealing with the sponsoring of a large-scale project, deriving money directly from a Government-owned corporation.

Finally, Shall it be expensive or inexpensive? The administration's program calls for an appropriation of $750 million. My program calls for a $100 million appropriation. Yet the amount of housing is entirely equal in terms of its potential. We would get at least as much housing. I believe we would get a great deal more under my proposed program than we would under the program proposed by the administration.

As we take all of these points and analyze them in terms of the merits of the proposal, we almost come to this conclusion. I make this statement without rancor and without bitter criticism, but I think it is only fair to say that the administration said:

> What kind of proposal can we dream up that is not like the proposal that was reported out by the Committee on Banking and Currency for moderate income housing in 1960?

It dreamed up the 40-year, no-downpayment proposal with a less than market interest rate and brought it to us. The only distinction it has in any way is the fact that it is different. It is certainly not better. It is much worse in every way that I have described. The only distinction it has is that it is different. I deeply hope that my friends on the other side of the aisle will not take a very poor administration program merely because it is different.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. SALTONSTALL. The Senator has several times mentioned public cooperation, and public investment or municipal or State investment. What is the proportion in New York State, where the plan is in operation, as between private investment and tax raised investment?

Mr. JAVITS. In the State of New York all of these projects, I believe, without exception, have been privately sponsored, and in practically all cases they have been able to work out deals with municipalities for tax abatement, because the municipality gets a big advantage in the improvement of its slum and blighted property. In most cases it has fundamentally been a privately

sponsored proposition, largely in the nonprofit field. However, it is an entirely viable program for private individuals who are willing to take a limited rate of profit. They have the advantage, however, at the end of 20 years, of being able to refinance the project and have it as a completely private project.

Most of the projects have been sponsored by trade unions or groups of people who get back the property as a cooperative, and then in turn there is a further devolution down to the individual occupant, in his ownership of individual property, a cooperative apartment.

Mr. SALTONSTALL. The municipality has not had to take over any of the property?

Mr. JAVITS. No; this has been a remarkably successful program in 6 years, with 30,000 units built or under construction, and the voters of the State of New York have twice by statewide referendum approved the program and have increased the amounts which were made available.

Mr. SALTONSTALL. The municipalities' participation has been in the form of tax abatement?

Mr. JAVITS. Yes; because it has been to their advantage to do so. This feature is not present in the administration plan.

Mr. President, I reserve the remainder of my time.

Mr. SPARKMAN. Mr. President, if the Senator from New York is willing to yield back the remainder of his time, I am willing to do so.

Mr. JAVITS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate on the amendment has expired. The question is on agreeing to the amendment offered by the Senator from New York. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN (when his name was called). On this vote I have a pair with the Senator from Minnesota [Mr. HUMPHREY]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. YOUNG of North Dakota (when his name was called). On this vote I have a pair with the junior Senator from Idaho [Mr. CHURCH]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from West Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], and the Senator from Minnesota [Mr. HUMPHREY] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

On this vote, the Senator from West Virginia [Mr. BYRD] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from West Virginia would vote "nay" and the Senator from Wisconsin would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Vermont [Mr. AIKEN]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Vermont would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON], and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

On this vote, the Senator from Vermont [Mr. AIKEN] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Vermont would vote "yea" and the Senator from New Mexico would vote "nay."

On this vote the Senator from Wisconsin [Mr. WILEY] is paired with the Senator from West Virginia [Mr. BYRD]. If present and voting, the Senator from Wisconsin would vote "yea" and the Senator from West Virginia would vote "nay."

The result was announced—yeas 25, nays 64, as follows:

[No. 62]

YEAS—25

Allott	Cotton	Mundt
Beall	Curtis	Prouty
Bennett	Dworshak	Saltonstall
Boggs	Goldwater	Schoeppel
Bush	Hruska	Scott
Butler	Javits	Smith, Maine
Case, N.J.	Keating	Williams, Del.
Case, S. Dak.	Kuchel	
Cooper	Morton	

NAYS—64

Anderson	Hickenlooper	Morse
Bartlett	Hickey	Moss
Bible	Hill	Muskie
Burdick	Holland	Neuberger
Byrd, Va.	Jackson	Pastore
Cannon	Johnston	Pell
Capehart	Jordan	Proxmire
Carroll	Kefauver	Randolph
Clark	Kerr	Robertson
Dodd	Lausche	Russell
Douglas	Long, Mo.	Smathers
Eastland	Long, Hawaii	Smith, Mass.
Ellender	Long, La.	Sparkman
Engle	Magnuson	Stennis
Ervin	Mansfield	Symington
Fong	McCarthy	Talmadge
Fulbright	McClellan	Thurmond
Gore	McGee	Williams, N.J.
Gruening	McNamara	Yarborough
Hart	Metcalf	Young, Ohio
Hartke	Miller	
Hayden	Monroney	

NOT VOTING—11

Aiken	Carlson	Humphrey
Blakley	Chavez	Wiley
Bridges	Church	Young, N. Dak.
Byrd, W. Va.	Dirksen	

So the amendment offered by Mr. JAVITS, for himself and Mr. BUSH, was rejected.

SUBCOMMITTEE MEETING DURING SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, because of unusual circumstances, I ask unanimous consent that the Subcommittee on the Judiciary of the Committee on the District of Columbia may be permitted to sit during the session of the Senate tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Mr. President, I am aware of the circumstances. I shall not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANNOUNCEMENT OF CONSIDERATION NEXT WEEK OF NOMINATIONS OF JOSEPH C. SWIDLER AND HOWARD MORGAN

Mr. MANSFIELD. Mr. President, I announce the intention of the leadership to call up next week the nominations of Joseph C. Swidler, of Tennessee, to be a member of the Federal Power Commission for the remainder of the term expiring June 22, 1965, and of Howard Morgan, of Oregon, to be a member of the Federal Power Commission for the remainder of the term expiring June 22, 1963, vice Paul A. Sweeney. I hope the announcement will put the Senate on notice that such action is contemplated.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

RESOLUTION OF RHODE ISLAND GENERAL ASSEMBLY

Mr. PELL. Mr. President, on behalf of the distinguished senior Senator from Rhode Island [Mr. PASTORE] and myself, I ask unanimous consent that House Resolution 1118 recently passed by the General Assembly of the State of Rhode Island and Providence Plantations, entitled "Resolution memorializing the Congress of the United States to make available for bid to police and fire departments of the respective States all surpluses after the needs of civilian defense, schools, and others now receiving them have been satisfied," be inserted in the RECORD.

I trust that the appropriate departments of the Government will give most serious consideration to making available surplus property to police and fire departments after the needs of other agencies now using surplus property have been satisfied.

There being no objection, the resolution was referred to the Committee on Government Operations, and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION 1118

Resolution memorializing the Congress of the United States to make available for bid to police and fire departments of the respective States all surpluses after the needs of civilian defense, schools, and others now receiving them have been satisfied

Whereas all surpluses, after the needs of civilian defense, schools, and other units now using said surpluses have been satisfied, should be submitted by bid to police and fire departments of the respective States to augment their essential facilities for the protection of life and property: Now, therefore, be it

Resolved, That the General Assembly of the State of Rhode Island and Providence

Plantations respectfully requests the Senators and Congressmen from Rhode Island in the Congress of the United States to give consideration to the purpose of this resolution; and be it further

Resolved, That duly certified copies of this resolution be transmitted by the Secretary of State to the units of the Federal Government under whose jurisdiction such surpluses are allocated, asking that special attention be given to the enacting of necessary legislation to activate this request.

REPORT ENTITLED "THE ROLE OF SMALL BUSINESS IN GOVERNMENT PROCUREMENT—1961" (S. REPT. NO. 355)

Mr. SMATHERS. Mr. President, on behalf of the Select Committee on Small Business, I submit a report entitled "The Role of Small Business in Government Procurement—1961," and ask that it be printed.

The PRESIDING OFFICER. Without objection, the report will be received and printed, as requested by the Senator from Florida.

HOUSING ACT OF 1961—AMENDMENT

Mr. LAUSCHE submitted an amendment, intended to be proposed by him, to the bill (S. 1922) to assist in the provision of housing for moderate and low income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF NATURAL GAS ACT, RELATING TO HEARINGS CONCERNING THE LAWFULNESS OF NEW RATE SCHEDULES—ADDITIONAL COSPONSORS OF BILL

Mr. CARROLL. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 1946) to amend section 4(e) of the Natural Gas Act relative to hearings concerning the lawfulness of new rates schedules, the names of Senators MCCARTHY, CLARK, MORSE, and PELL be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

ESTABLISHMENT OF PEACE-BY-INVESTMENT CORPORATION—ADDITIONAL COSPONSOR OF BILL

Mr. JAVITS. Mr. President, I ask unanimous consent that the Senator from Rhode Island [Mr. PELL] be joined as a cosponsor of S. 1965, the so-called peace-by-investment bill, of which I am the principal sponsor, and that at the next printing of the bill his name may appear.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF HEARINGS ON CERTAIN NOMINATIONS BY COMMITTEE ON THE JUDICIARY

Mr. ERVIN. Mr. President, on behalf of the Subcommittee on Constitutional Rights of the Committee on the Judiciary, I desire to announce that a public hearing will be held at 10 a.m. on Friday, June 16, 1961, in room 357, Old Senate Office Building, at which time persons interested in the following nominations will appear and testify:

Ervin N. Griswold, of Massachusetts and Spottswood W. Robinson III, of the District of Columbia, to be members of the Commission on Civil Rights; and

Berl I. Bernhard, of Maryland, to be staff director for the Commission on Civil Rights.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 7, 1961, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 133. An act granting the consent of Congress to a compact between the State of Arizona and the State of Nevada establishing a boundary between those States;

S. 1941. An act to authorize construction of community support facilities at Los Alamos County, N. Mex.; and

S.J. Res. 34. Joint resolution designating the week of October 9–15, 1961, as National American Guild of Variety Artists Week.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move that the Senate adjourn, under the order previously entered, until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, June 8, 1961, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 7, 1961:

U.S. ATTORNEYS

John O. Garaas, of North Dakota, to be U.S. attorney for the district of North Dakota for a term of 4 years.

Cecil F. Poole, of California, to be U.S. attorney for the northern district of California for the term of 4 years.

U.S. MARSHALS

Adam J. Walsh, of Maine, to be U.S. marshal for the district of Maine for the term of 4 years.

George E. O'Brien, of California, to be U.S. marshal for the southern district of California.

Gibson Greer Ezell, of Georgia, to be U.S. marshal for the middle district of Georgia for the term of 4 years.

Edward A. Heslep, of California, to be U.S. marshal for the northern district of California.

EXTENSIONS OF REMARKS

Tom Wallace: Editor and Conservationist

EXTENSION OF REMARKS
OF
HON. FRANK W. BURKE
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 7, 1961

Mr. BURKE of Kentucky. Mr. Speaker, it is with sincere regret that I announce to the House the death on Monday last of Tom Wallace, editor emeritus of the Louisville Times. Tom Wallace was a working newspaperman. He had served as president of the American Society of Newspaper Editors in 1940–41 and as president of the Inter-American Press Association in 1945. He was honorary life president of the latter organization.

His crusades for inter-American friendship and for conservation of natural resources brought him nearly as much recognition as his journalistic career. He received countless conservation awards.

He was the 1949 winner of the American Award, given annually for "outstanding contributions to hemispheric amity and understanding." The previous year it had been awarded to former President Herbert Hoover.

Named for Wallace are a lake, an organization, and two contests. The lake is Tom Wallace Lake, in the Jefferson County (Ky.) Forest. The organization is the Tom Wallace Chapter of the Izaak Walton League. The annual contests are the Tom Wallace Forestry Award, established by the Louisville Times, the Courier-Journal, and WHAS for farm people of the Kentuckiana area, and the Inter-American Press Association—Tom Wallace Awards, consisting of a plaque for the newspaper or magazine doing most to promote inter-American friendship, and a scroll and $500 for the writer of the winning article or articles.

A fifth-generation Kentuckian, Wallace was a courtly man, graceful in demeanor, and possessing a sharp wit. He kept his youthful interest in news coverage through all his years. If something caught his eye on his way downtown, he would come to the Times' newsroom in the morning before even taking off his overcoat. He was a working newspaperman to the last.

He retired as editor of the Times in 1948 at the age of 74 and from then on wrote a three-times-a-week column on the editorial page.

He suffered a heart attack on his farm at Prospect about 10 years ago and was in the hospital for nearly a month.